



A \$4.6 Billion Tax Break for the Wealthiest: *Bad News for New York*

Regular New Yorkers have a lot to worry about. Each month, families struggle to pay the mortgage and pay university tuition, to buy groceries and buy heating oil. Services like education and health care are threatened by the state's deepening deficit, while good jobs are harder to come by than ever.

Now imagine transferring \$4.6 billion from essential public investments to the pockets of the richest. It seems unthinkable, but that's exactly what will happen without quick action from elected leaders in Albany.

On December 31, the state's modest income tax surcharge on top earners will expire. The surcharge -- a mere one percent on single tax filers earning between \$200,000 and

\$500,000 and 2.12 percent on filers earning more than \$500,000-- generates \$4.6 billion a year.

That's worth 20 percent of state school aid contributions, or 25 percent of state Medicaid contributions. It's Meals on Wheels, new fire trucks, and after school programs.

The surcharge doesn't crimp the lifestyles of those who pay it. In fact, the wealthiest still pay proportionately less in state and local taxes than families earning between \$33,000 and \$56,000.

And consider the Bush tax cuts, which put an average of about \$124,000 in the pockets of the richest. These are not the New Yorkers most in need of a break.

\$4.6 Billion Could Pay for Any One of These Priorities

Over 20% of the State's aid to schools statewide

25% of the State's contribution to Medicaid statewide

2 years of state funding for foster care, adoption, child care and child protective services.

Over 50% of state funding for SUNY, CUNY, and tuition aid

Nearly two years of state funding for bridges, highways, road maintenance, and DMV operations

More than three and a half years of social services for low-income families

100% of state funding for mass transit statewide

50% of the state's projected deficit*

Figures reflect State Operating Funds, New York State Division of Budget.

*The state's deficit projection of \$9 billion assumes a \$12.5 billion spending increase in fiscal year 2011-2012.



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Our upside down tax system -- which requires struggling families to bear the largest burden -- is an old problem. Unfortunately, it's getting worse.

Over the past three decades, Albany has halved income taxes on the wealthiest New Yorkers. By the 2000s, a CEO earning \$400,000 paid the same income tax rate as a secretary making \$40,000.

Eliminating today's tax rates on top incomes would grant thousands of dollars a year to the wealthiest three percent of New Yorkers while decimating our public infrastructure. That's the wrong choice for New York.

Turning our system right side up will require hard work and smart thinking. Luckily, the first step is crystal clear. Leaders in Albany must extend the income tax surcharge on top earners.

What would these tax breaks really mean?

A Household Income of...	Means a Weekly Income of...	Eliminating Tax Rates on Top Incomes will give these families...*	
\$24,000	\$462		
\$40,001	\$769	\$0	\$0
\$56,000 <i>NY Median Income</i>	\$1,100		
\$150,000	\$1,923		
\$350,000	\$5,769	\$67 more per week	\$3,500 more per year
\$550,000	\$9,615	\$224 more per week	\$11,660 more per year
\$1,000,000	\$19,231	\$408 more per week	\$21,200 more per year

*These figures reflect taxable incomes of \$350,000, \$550,000, and \$1,000,000. A family's total income—or gross income—would be higher.



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