





Restoring Fiscal Integrity

- Making the budget process a financial exercise rather than a political exercise.
- Ended automatic inflators:
 - Education: 10%
 - Medicaid: 10%





Fiscal Integrity

Added brackets to make code more fair:

- **Before:** Whether a person made \$40,000 or \$40 million, they paid the same rate.
- **Now:** We added additional income brackets that have made the code more fair:

New Tax Brackets
\$40,000 to \$150,000
\$150,000 to \$300,000
\$300,000 to \$2 million
Over \$2 million



Fiscal Integrity

- Tier VI saves \$80 billion
- Downsized state labor force from 137,000 to 120,000; Three zero raise contracts saved \$450 million
- 2% Property Tax Cap
- 2% Spending Cap

Protecting Taxpayer Dollars





Budget Progress

Three consecutive on-time budgets since coming into office:

- FY 2012: Eliminated a \$10.0 B gap (10.5% of State Operating Funds budget)
- FY 2013: Eliminated a \$3.5 B gap (3.9% of SOF budget)
- FY 2014: Eliminated a \$1.35 B gap (1.5% of SOF budget)

Adherence to the 2 percent spending cap will put the State in a surplus position:

Dollars in
Billions





Fiscal progress allows **tax relief.**



Tax Relief: Thus Far

- **Personal Income Tax cut; lowest middle class rates in 62 years**
- **Youth and Veterans Hiring Tax Credits**
- **START-UP NY**





Tax Relief: Next Phase



Tax Relief: Next Phase

Focus on property taxes:

- Largest tax in NYS:
\$51 billion
- Compared to \$40 billion Personal Income Tax

FORECLOSURE

**FOR
SALE**



Tax Relief: Next Phase

Property Tax: #1 Business Tax

- Businesses pay \$17 billion in property taxes
- Businesses pay \$7 billion in corporate taxes



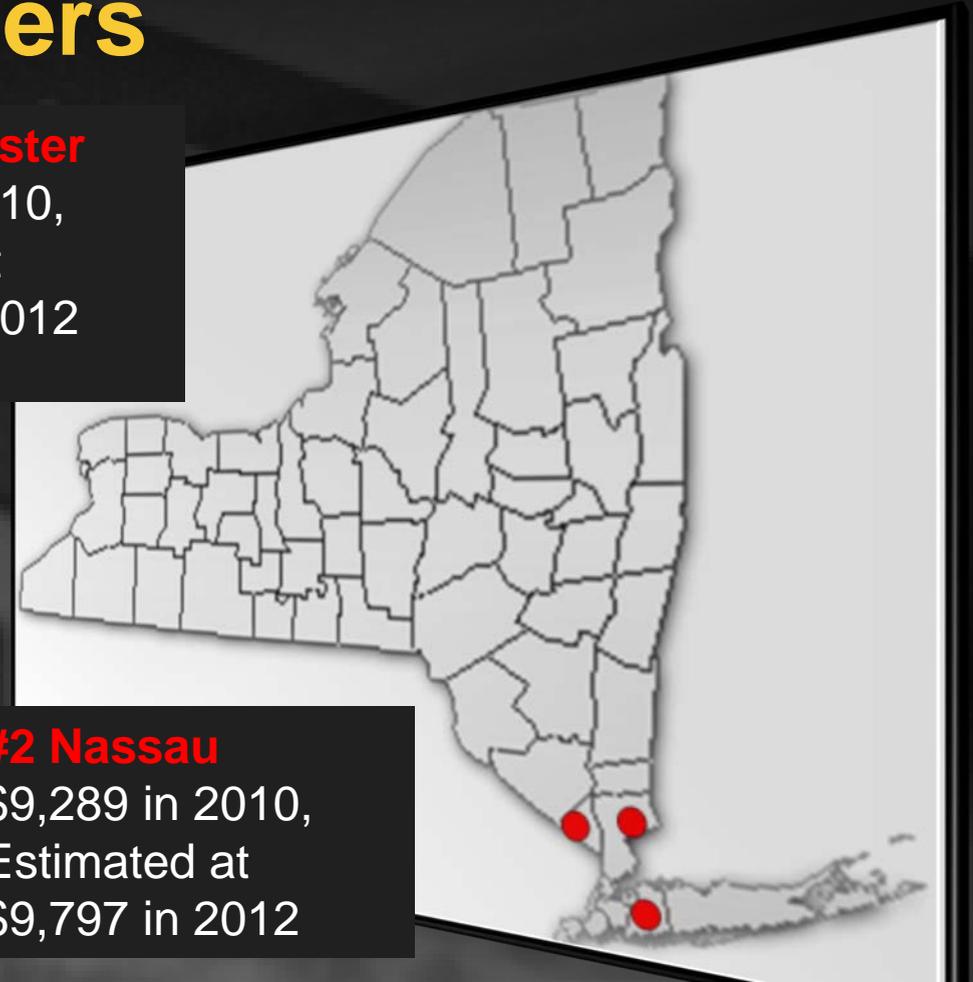
Property Taxes are Still Too High, Hurting Businesses and Homeowners

Nationally, three of the four highest taxed counties in terms of effective property taxes paid were in New York.

#1 Westchester
\$9,945 in 2010,
Estimated at
\$10,320 in 2012

#4 Rockland
\$8,861 in 2010,
Estimated at
\$9,472 in 2012

#2 Nassau
\$9,289 in 2010,
Estimated at
\$9,797 in 2012





Property Taxes are Still Too High, Hurting Businesses and Homeowners

Nationally, 13 of the 15 highest taxed counties in terms of property taxes paid as a percentage of home value, were in New York.

- | | |
|----------------|-----------------|
| 1. Wayne | 10. Steuben |
| 2. Monroe | 11. Erie |
| 3. Cattaraugus | 12. Schenectady |
| 4. Livingston | 13. Cayuga |
| 5. Oswego | 14. Onondaga |
| 6. Niagara | 15. Chemung |
| 8. Chautauqua | |





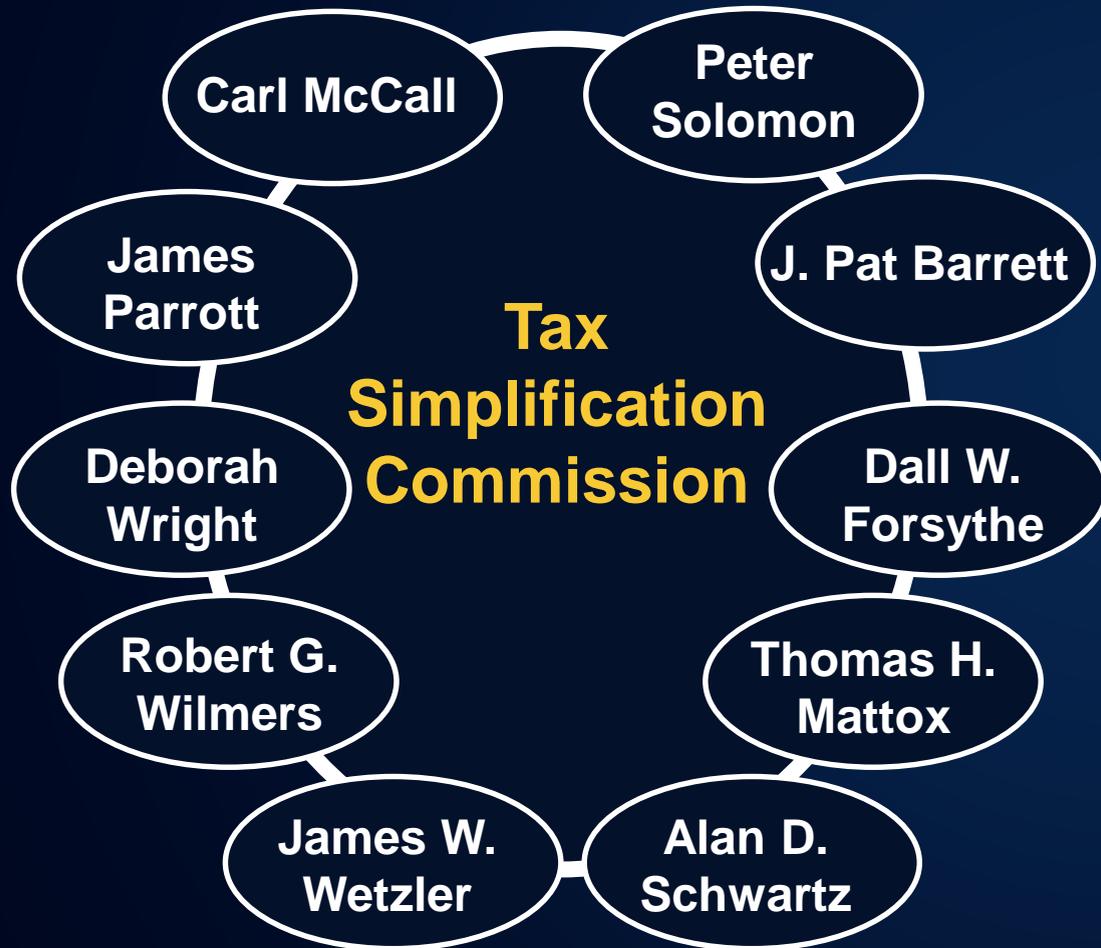
Also Review:

- Taxes unduly burdensome to business and middle class / working families.



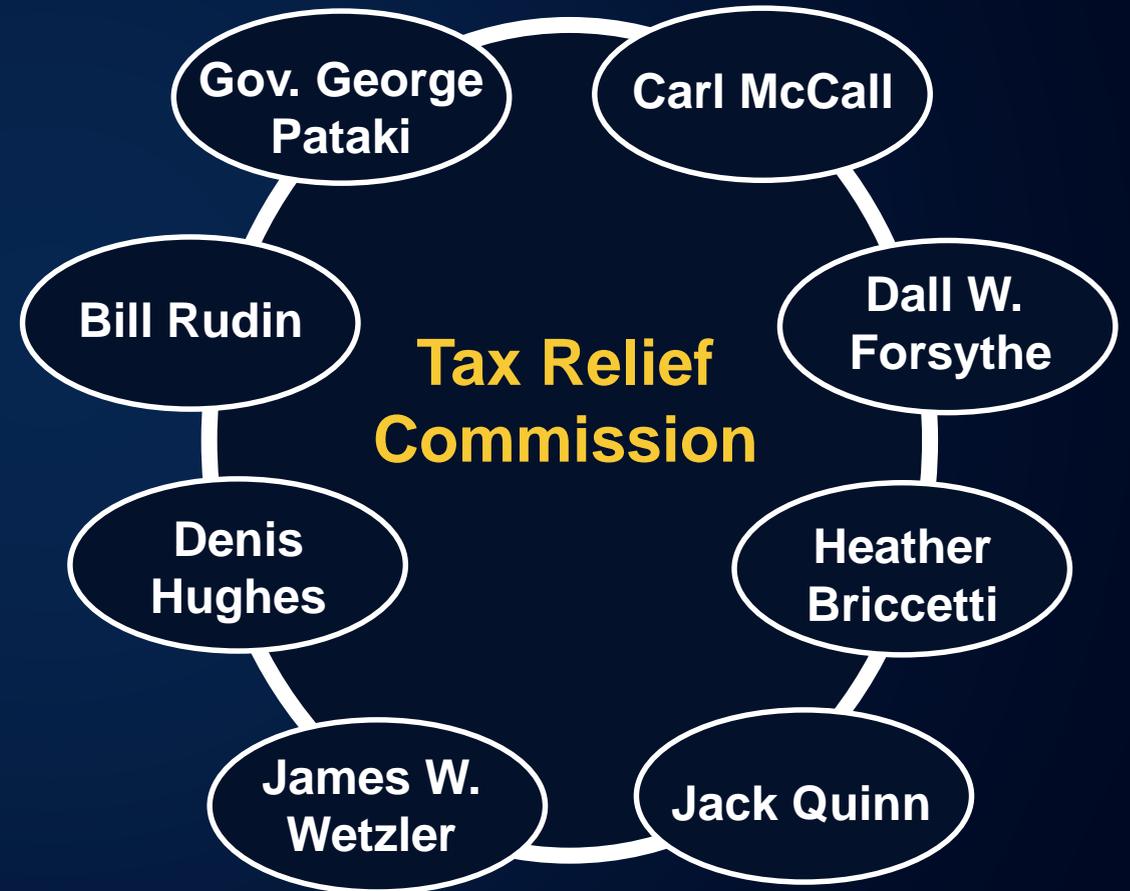


Tax Reform: Next Phase





Tax Reform: Next Phase





Experienced – Qualified Professionals – Non-Political



**Governor
George Pataki**



**Comptroller
Carl McCall**



**Report due by December 6 for inclusion
in 2014 State of the State.**







