



**NEW  
YORK  
STATE**

**JUSTICE AGENDA**  
**THE TIME IS NOW**

A woman in a grey jacket is holding a blue sign with yellow and white text. She is looking upwards with an open mouth, as if shouting or cheering. In the background, other people are visible, some holding similar signs. A large circular logo with the letters 'H' and 'AF' is partially visible on the right side of the image.

**FIGHT FOR  
PAID FAMILY  
LEAVE**

**WE HAVE MADE  
GREAT PROGRESS  
IN NEW YORK**

The background of the entire graphic is a close-up, slightly blurred image of the Statue of Liberty's face and crown, rendered in a dark, teal-blue color. The texture of the statue's skin and the details of the crown are visible.

✓ FIRST BIG STATE TO  
PASS MARRIAGE  
EQUALITY

✓ NATION-LEADING  
ENVIRONMENTAL  
AGENDA

✓ BEST PAID FAMILY  
LEAVE IN THE  
NATION

✓ \$15 MINIMUM  
WAGE

**NEW YORK IS THE MOST  
PROGRESSIVE STATE  
IN THE NATION**

✓ MOST AGGRESSIVE  
BUILDING AGENDA

✓ FREE COLLEGE  
TUITION

✓ NATIONAL CHAMPION  
FOR LABOR

✓ LEAD THE NATION ON  
GUN SAFETY





OUR SOCIAL PROGRESS  
IS MATCHED BY OUR **ECONOMIC**  
**PROGRESS**



# We have the strongest economy the state has ever seen...

**JOBS**

**8.2 MILLION  
HIGHEST  
EVER**

**TAXES**

**LOWEST  
SINCE 1947**

**UNEMPLOYMENT**

**DOWN ACROSS  
STATE**

**DIVERSIFIED  
ECONOMY**

**FINANCE  
REAL ESTATE  
TECHNOLOGY  
TOURISM**



But all that is threatened by the  
**devastating impact of SALT.**





# WARNING!

**30% TAX INCREASE**

**STATE REVENUE CRISIS**

**NYS HOUSING CRISIS**



The background image shows the New York State Capitol building in Albany, New York, a large, ornate, light-colored stone structure with multiple towers and red-tiled roofs. It is flanked by modern, white, multi-story buildings with vertical window slats. In the foreground, there is a body of water reflecting the sky and buildings. Overlaid on the image is a large red target graphic consisting of three concentric circles. A yellow silhouette of the state of New York is positioned in the center of the target, with its top half overlapping the text.

**NEW YORK STATE #1 TARGET**



A photograph of the United States Capitol building in Washington, D.C., taken at dusk or dawn. The building's iconic dome is illuminated from within, and the sky is filled with dramatic, dark clouds with rays of light breaking through. The building is reflected in the water in the foreground. The text is overlaid on the image.

**SALT is an economic civil war.**

**A redistribution of wealth between red and blue —  
AND THE EFFECT IS NOW!**



The background of the slide features a close-up, slightly blurred image of several US dollar bills. The bills are fanned out, showing various denominations and the intricate patterns of the currency. The lighting is soft, highlighting the texture of the paper and the metallic sheen of the ink.

Personal income tax receipts – our largest category of revenues – are **down**.

This is true both for the **withholding component**, which largely comes from current wages, including bonus income, and the **estimated payment component**, which mostly reflects nonwage income.



The background of the slide features a close-up, slightly blurred image of US dollar bills. The focus is on the texture and patterns of the currency, with the words "SERVIE NOT" and "21" visible on one of the bills. The overall color scheme is dark blue and grey, with the text in white and orange for emphasis.

The variance from PIT projections appeared abruptly in the final weeks of **December 2018** and persisted through **January 2019**.

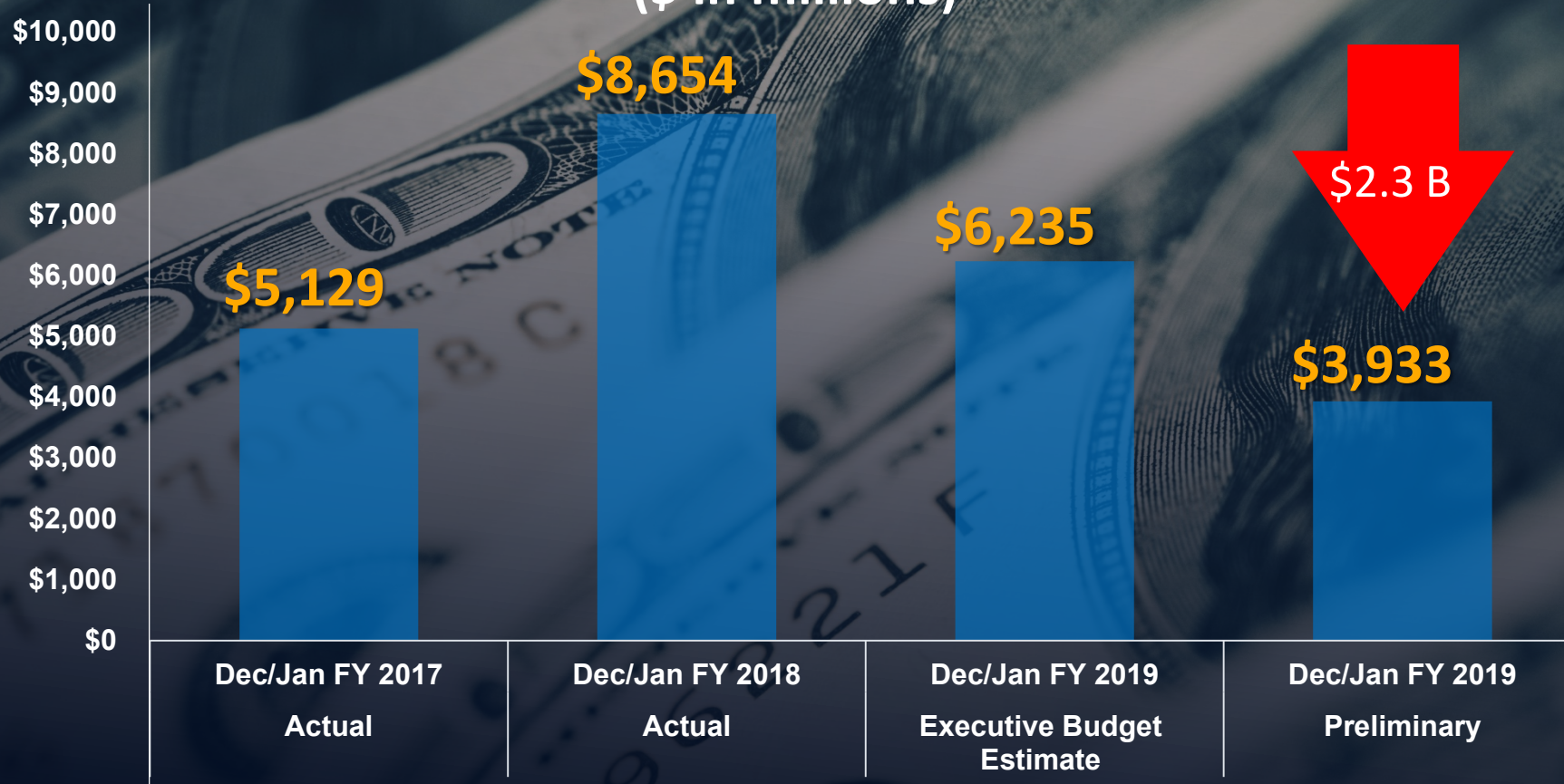
Typically, **39-46%** of our **PIT receipts** for estimated taxes arrive during this period.

This year, such collections represent just **30% of the target**.




# NYS Estimated Payments

(\$ in millions)





The background of the slide features a close-up, slightly blurred image of several US dollar bills. The bills are fanned out, showing various denominations and intricate security patterns. The lighting is soft, highlighting the texture of the paper and the metallic sheen of the ink.

**DOB's economic and receipts forecasts had anticipated year-over-year declines in both withholding and estimated payments, but not by the amounts observed in recent weeks.**

**We are not alone.**



# States with Large Revenue Declines

NY



50%

NJ



35%

CT



55%

CA



24%

MA



50%

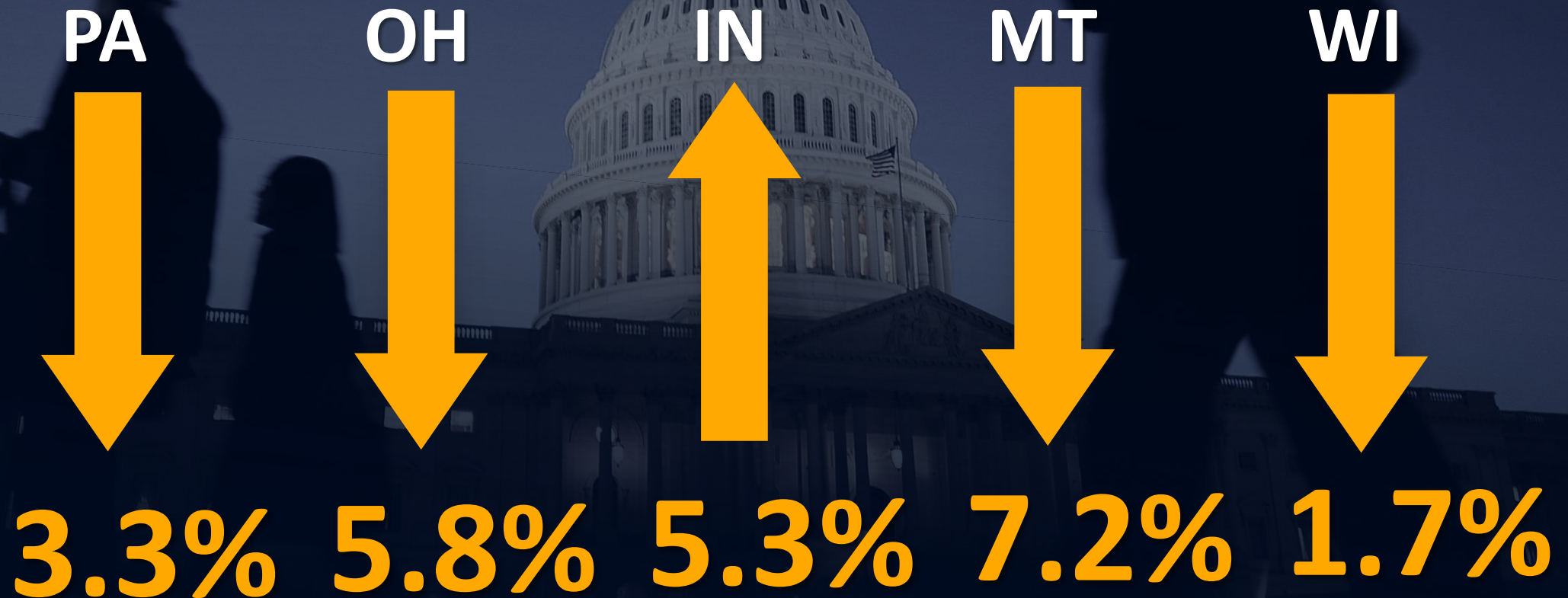
**What do these states  
have in common?**

**I'll give you a hint.**



(it's blue.)

# Other Non-SALT States Less Impacted



A year ago, we warned about  
the devastating impact of SALT.



# Ranking of States by Average SALT Deduction

1. New York	\$22,169
2. Connecticut	\$19,664
3. California	\$18,437
4. New Jersey	\$17,850
5. Washington, DC	\$16,442
6. Massachusetts	\$15,571
7. Minnesota	\$12,954
8. Maryland	\$12,931
9. Oregon	\$12,616
10. Illinois	\$12,523
11. Rhode Island	\$12,434
12. Vermont	\$12,407

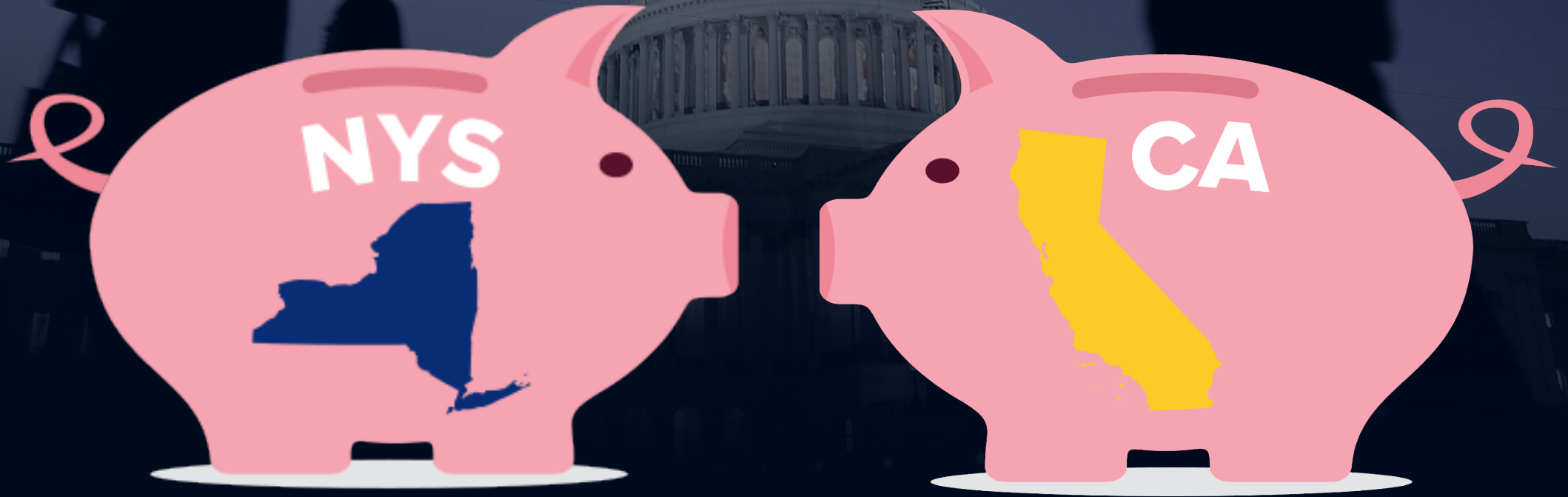
Source: Government Finance Officers Association



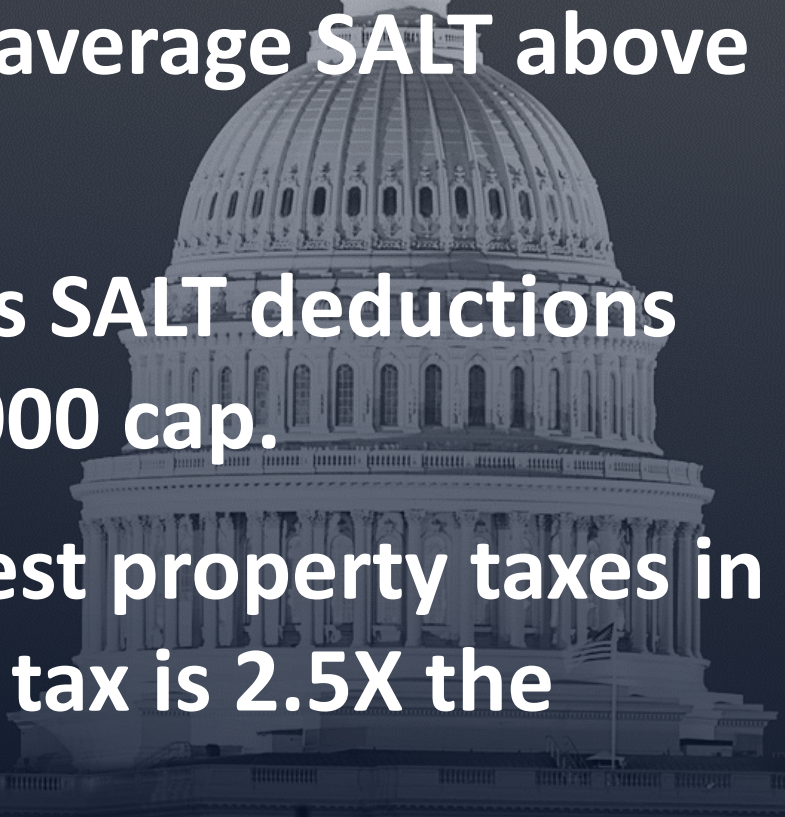


**SALT costs New York  
\$14.3 billion.**

**New York is paying  
for cuts for other states.**



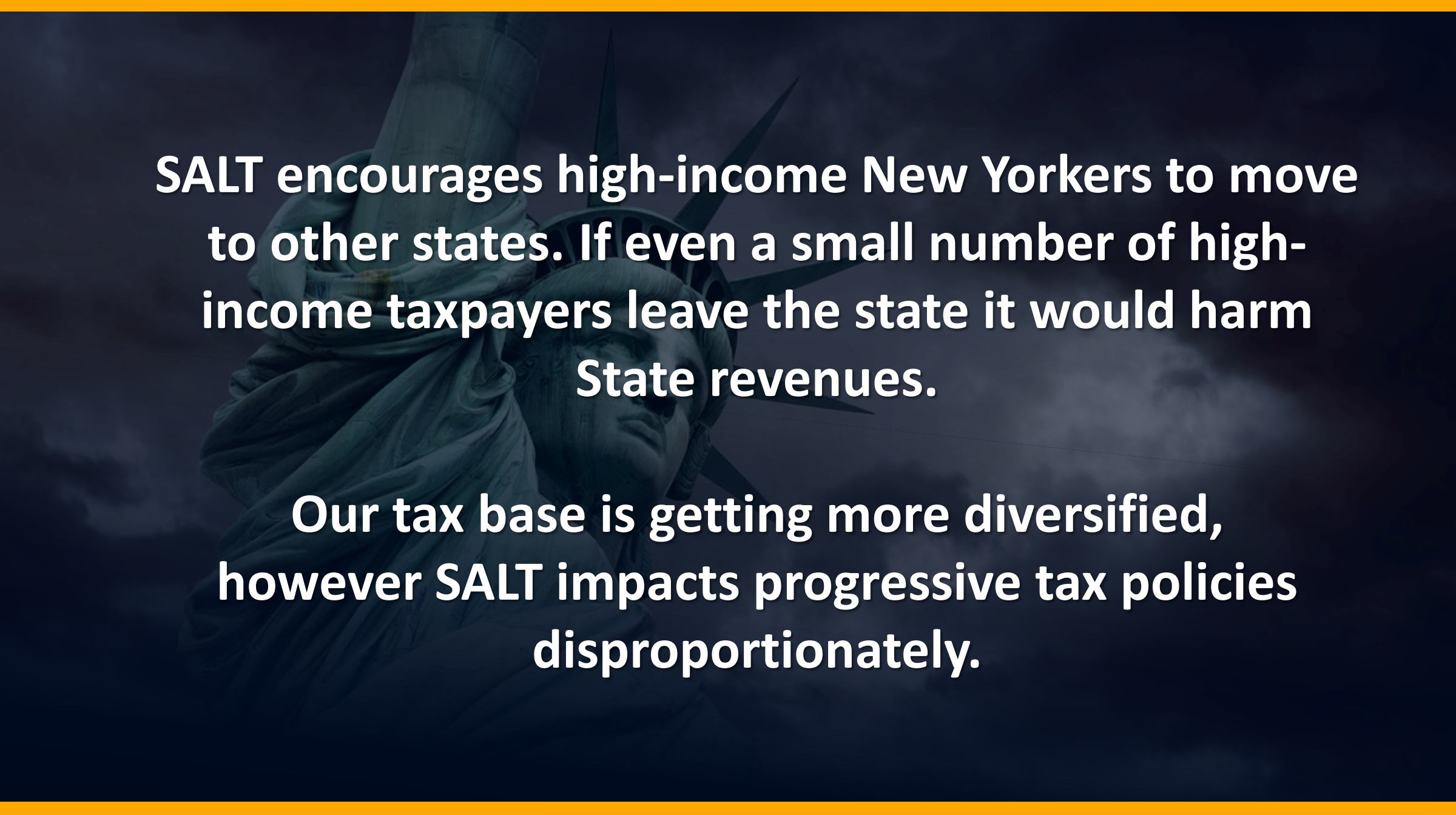


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- The background of the slide features a faded, grayscale image of the New York State Capitol building, specifically its iconic dome and classical architectural details. The image is semi-transparent, allowing the white text of the list to stand out clearly.
- 52 of New York's 62 counties have average SALT above \$10,000.
  - The average New York taxpayer has SALT deductions that are more than *twice* the \$10,000 cap.
  - New Yorkers pay some of the highest property taxes in the nation — the median property tax is 2.5X the median state income tax liability.
  - New York has the largest percentage of taxpayers getting a tax *hike* of any state.

A low-angle shot of the Statue of Liberty's head and crown, set against a dramatic, dark, and cloudy sky. The statue's green patina is visible, and the crown's spikes are prominent. The overall mood is somber and intense.

The federal tax changes have made  
**New York less competitive.**



A dark, moody background image featuring the Statue of Liberty. The statue's head and crown are visible in the upper left, with its rays extending upwards. The background is a dark, cloudy sky. The text is overlaid in white, bold font.

**SALT encourages high-income New Yorkers to move to other states. If even a small number of high-income taxpayers leave the state it would harm State revenues.**

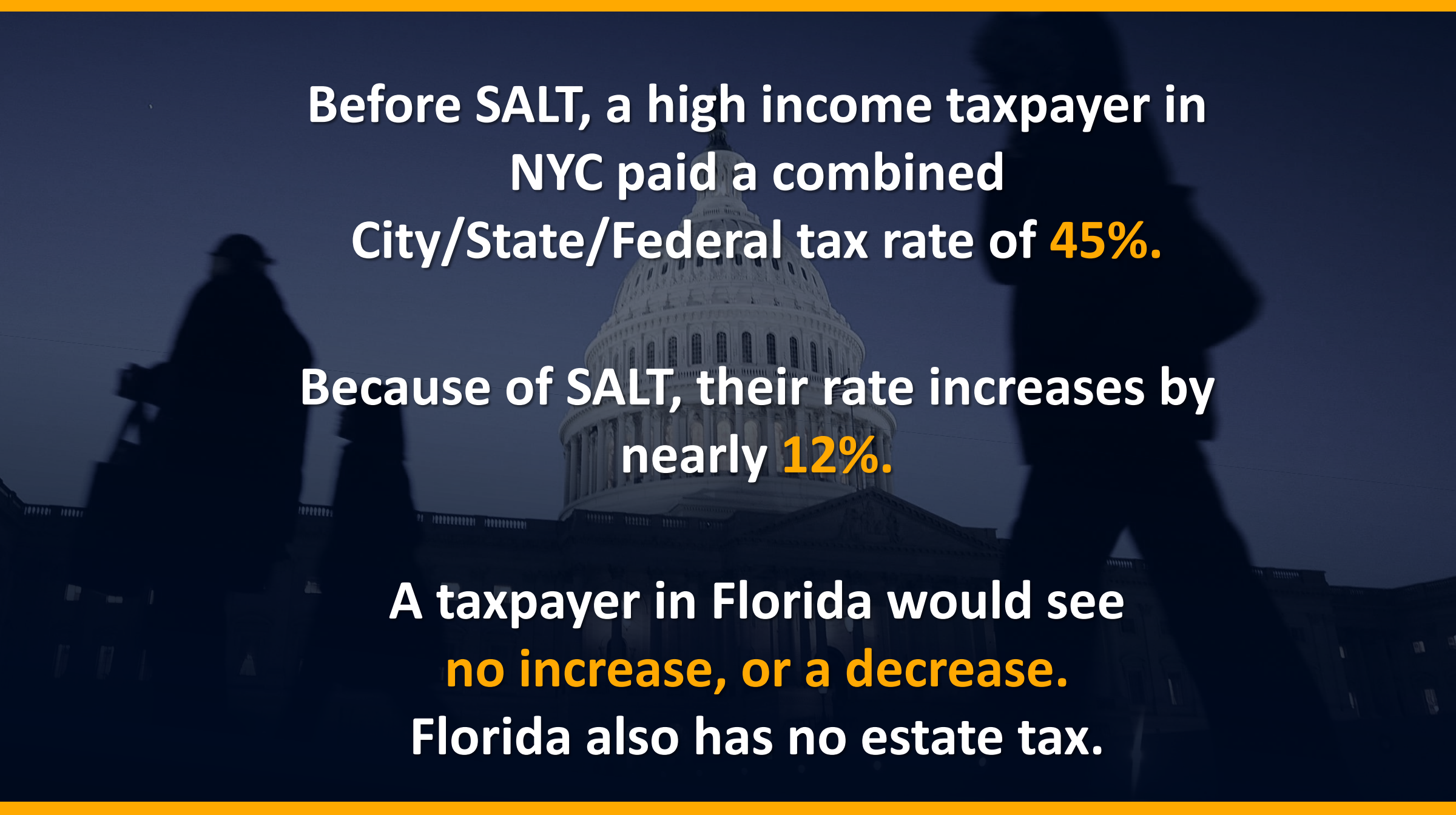
**Our tax base is getting more diversified, however SALT impacts progressive tax policies disproportionately.**

# NY FRAGILE ECONOMY

- New York's tax code is highly progressive.
- We have the second highest state/local millionaire's tax in the country.
- The top 1% of taxpayer accounts for nearly half (46%) of State income tax liability.
- More than 95% of the tax increase from SALT falls on the top 20% of taxpayers - these taxpayers pay over 87% of New York income taxes.

	NUMBER OF RETURNS	Income Level		Tax Liability	
		LEVEL (\$in millions)	SHARE	LEVEL (\$in millions)	SHARE
TOP 1%	93,272	\$236,996	31.9%	\$17,813	45.8%
TOP 5%	466,360	\$358,340	48.2%	\$24,824	63.8%
TOP 10%	932,717	\$437,996	58.9%	\$29,041	74.6%





Before SALT, a high income taxpayer in  
NYC paid a combined  
City/State/Federal tax rate of **45%**.

Because of SALT, their rate increases by  
nearly **12%**.

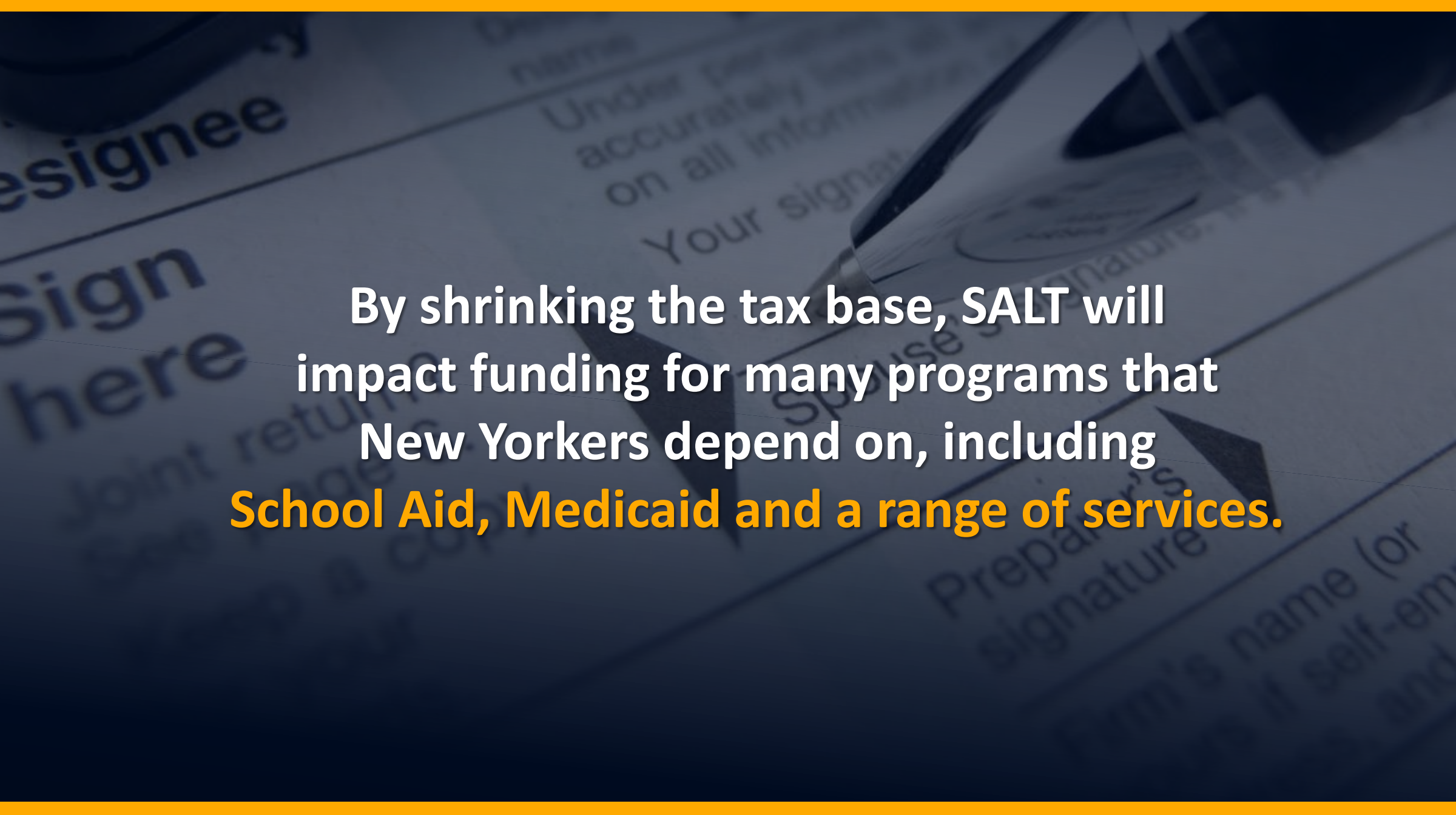
A taxpayer in Florida would see  
**no increase, or a decrease.**  
Florida also has no estate tax.

The background is a dark, semi-transparent image of a tax form. A silver pen is positioned diagonally across the form, pointing towards the bottom right. The form contains various fields and labels, including "Sign here", "Your signature", and "Spouse's signature". The text is in a light blue or grey color, contrasting with the dark background.

**Taxpayers are adjusting in response to SALT.**

**Anecdotal evidence suggests that high income taxpayers are considering changing their residence and that financial industry firms are looking at real estate outside of New York.**



The background is a dark, blue-tinted image of a tax form. A black pen is visible, positioned diagonally across the upper right portion of the frame. The form contains various fields and text, including "Sign here", "Joint return", "Under penalty of perjury, I declare that I have prepared this return accurately based on all information", "Your signature", "Spouse's signature", "Preparer's signature", and "Taxpayer's name (or self-employed)".

**By shrinking the tax base, SALT will  
impact funding for many programs that  
New Yorkers depend on, including  
School Aid, Medicaid and a range of services.**

# \$2.3 BILLION IS A LARGE LOSS

At stake is the funding viability of our  
four largest-cost **priorities...**

**\$27.7B**

**Education**

**\$19.6B**

**Health Care**

**\$150B**

**Infrastructure  
Statewide**

**\$1.8B**

**Middle Class  
Tax Cut**



# NY ALREADY SENDS THE MOST TO WASHINGTON



**NY contributes more to the Federal Government  
than any other state – net \$35.6 billion.**

**We are the #1 donor state.**



# UNCERTAINTY ABOUNDS

- IRS is attempting to remove deductibility of charitable deductions enacted last year. Final regulations still pending.
- New York's lawsuit against the Tax Cuts Jobs Act (TCJA) is ongoing.
- Federal government shutdown went into tax season for the first time ever. IRS was closed and the annual temporary workforce was not working. A backlog of taxpayer inquiries about the TCJA persists. Another shutdown is possible.
- Many TCJA provisions expire in 2025 and taxes will increase further for middle class New Yorkers.
- Federal dysfunction continues, as does the Trump administration's assault on New York programs, creating even more pressure on the State Budget.





**We must also continue  
our own financial diligence.**

**This reduction must be addressed  
in this year's budget.**



A large American flag is waving in the foreground, held by a pole. In the background, a city skyline is visible under a cloudy sky, featuring several tall skyscrapers. The scene appears to be a protest or a public demonstration.

**It must be a national priority  
for the new Congress.**

**We must continue to fight back.**





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