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State of the State Fails to Promote Real Shared Sacrifice

Albany – Citizen Action of New York said today that Governor David Paterson’s State-of-the-State address acknowledged the pain many New Yorkers are facing in the economic crisis, but failed the test of leadership by not proposing a tax increase on the wealthiest New Yorkers. Such a tax would reduce cuts to education, health care and other critical services New Yorkers depend on.

“Low and middle income New Yorkers are reeling from national and state policies that have led to mortgage foreclosures, job losses, and health care premium increases, said Karen Scharff, Executive Director of Citizen Action of New York. “Governor Paterson says we all should share the pain, but his solution will make the problems worse by cutting education, aid to cities and other critical programs.”

“We support the Governor’s call today for President-Elect Obama and the Congress to pass a federal economic stimulus package to help the states, but this shouldn’t substitute for state action to stimulate New York’s economy. The President-elect has made clear that in tough economic times, the best thing for families is for government to invest in education, health care and jobs. We urge the Governor and the Legislature to show the same kind of leadership by asking the wealthy who benefited from the last economic boom to contribute, rather than balancing the budget on the backs of schoolchildren, urban residents and others who depend on state services,” said Scharff.

Scharff said that numerous cuts proposed by the Governor in his budget, including to pre-K through grade 12 education aid, aid for community colleges, public library funding, and revenue sharing will have serious detrimental effects on the most vulnerable New Yorkers and impede the state’s ability to recover from the recession. She called for passage of Fair Share Tax Reform, which would increase taxes on those making over \$250,000 per year.

“It is clearly unfair that nurses supporting a family making \$40,000 per year pay the same tax rate as law firm partners making \$4,000,000 per year,” said Scharff. “We need to restore basic fairness to the tax code, while making sure that the most critical services New Yorkers depend on are protected.”

“No one can deny the budget deficit is real. However, the underlying problem is not increased spending on education and health care, but tax policies of the last two decades that have reduced the share of taxes contributed by the wealthy, and provided loopholes to allow large corporations to avoid their fair share of taxes,” added Scharff. **“The issue is whether we should address the deficit by asking the wealthiest New Yorkers to contribute a little bit more, or make cuts that have a disproportionate impact on the poor, communities of color and the middle class.”**

“We strongly support the Governor’s call for Rockefeller Drug reform that can reduce inequity in our criminal system, and also save the state money,” said Scharff.

Citizen Action of New York is a statewide organization that organizes for social, racial, economic, and environmental justice; it maintains a new web page designed to involve the public in the fight for a fair budget: www.fightthecuts.org. The Fair Share Tax Reform proposal is outlined on this web page. Citizen Action is urging its supporters to contact the Legislature to pass Fair Share Tax Reform.