I am the granddaughter of immigrants and the daughter of parents who emphasized being of service. Of their five surviving daughters, two are teachers at New York State Special Act schools; the others are a (retired) prison nurse, a legal-services attorney and a church employee. These jobs are not easy, and are all public-facing.

I am a long-time resident of Peekskill, NY and grew up in Buffalo. I am quite disappointed to see that the New York State executive budget introduced for fiscal year 2022 proposes service cuts instead of a revenue increase. Services that already have had their budgets cut post-COVID include Medicaid, the MTA, public schools and services for people struggling with homelessness and the opioid crisis.

Frontline wage-earners who put their welfare and the welfare of their families and extended families in jeopardy have and will suffer the most from New York budget cuts. Budget cuts should be avoided to the extent possible.

There is sensible alternative to budget cuts: A tax increase for a small percentage of New Yorkers. The reality is that New Yorkers who earn above $780,000 annually pay a full percentage less in income taxes than New Yorkers earning between $36,000 and $61,000 annually. [1] Also true and just as unconscionable is the fact that a taxpayer earning $21,000 per year pays the same tax rate as a taxpayer who earns $900,000 annually.

This could be remediated with no downside to the state. Indeed, a small tax increase on the top 5% income earners would close the current budget deficit. Moreover, it would permit increased funding of critical services in this pandemic economy.

A question often posed is whether an increase in the tax rate would cause the highest income earners leave the state. To answer that one only has to go back to the 2009 New York State tax increase. The number of millionaires that filed New York State taxes had doubled eight years after that increase.

The fiscal situation of New York State is dire. A budget shortfall of $60 billion is estimated over the next four years. New York has lost significant revenues after the 2017 federal tax cut: $159 billion through 2019.[2]

[1] "Who Pays" 2018 Report, Institute on Taxation and Economic Policy

[2] Edward N. Wolf: "Household Wealth Trends in the United States, 1962-2013: What Happened Over the Great Recession?"

To close this fiscal gap, I support the measures proposed by the Democratic Socialists of America together with a broad coalition of organizations that support the Invest in Our New York Act.

The Invest in Our New York Act is a package of six bills that together add approximately $50 billion yearly to the New York State budget. This revenue stream can reverse cuts to Medicaid, the MTA, housing, public schools and healthcare while building an economy that protects workers and the environment.

The Invest in Our New York Act would raise tax levels on new Yorkers with high incomes, large inheritances, those involved in financial transactions, as well as large corporations. During this pandemic, these populations increased their wealth by $77 billion. The Act will <u>not</u> raise taxes on 95% of New Yorkers. Only 5% of taxpayers will be affected by the Act.

A note about financial services: The finance industry has become a very large part of the New York economy, but it is largely <u>untaxed</u>. For example, there is no taxation on trading. Large-scale and frequent trading makes the economy more volatile, which can negatively affect pension funds and retirements accounts. A small tax on financial transactions would raise revenue, and at the same time provide a disincentive to the industry's most harmful practices.

I underscore that 95% of New York residents will <u>not</u> see a tax increase under the Invest in Our New York Act. I strongly urge our state senators to act in the interest of their constituents, the large majority of whom support "taxing the rich." Please do what we are urgently looking to you to do: support the Invest in Our New York Act.

Thank you.

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