

**Testimony of Liz Brown  
On Behalf of SURJ ROC**

**Submitted to NYS Senate Finance & Assembly Ways & Means Committee Chairs  
For February 14th, 2024 Joint Legislative Hearing on the Revenue Budget**

Dear Senate Finance Chair Krueger, Assembly Ways & Means Chair Weinstein, and members of the New York State Legislature:

On behalf of SURJ ROC, the Rochester chapter of Showing Up for Racial Justice, I am writing to ask you to address New York's deep economic inequality and advance economic and racial justice, by increasing taxes on New York's wealthiest people and most profitable companies, and making lasting investments in working-class and low-income people.

**New York State suffers from the greatest economic inequality in the country.**

- **Despite having one of the largest economies, New York State has a long history of underinvesting in state programs and services, which has disproportionately hurt working-class and poor communities of color.**
  - [According to a 2022 Institute on Taxation and Economic Policy report](#), New York State is home to the highest concentration of wealth in the country and the deepest economic inequality. New Yorkers worth over \$30 million (fewer than 0.4% of the population) collectively own \$6.7 trillion dollars in wealth.
  - The top 1% of earners in New York make over 44 times the average income of the bottom 99%.
- **Low-income, working-class families are being driven out of our state as a result of rampant unaffordability.**
  - According to a [December 2023 report](#) covered by the New York Times, the people who left New York at the highest rate in 2022 were families making between \$32,000 and \$65,000 a year. A disproportionate number of those movers were Black and Latinx families.
- **While New York State is on a path to economic recovery from COVID-19, that recovery has been uneven - New York's millionaire class has grown, and the richest New Yorkers have grown richer. Meanwhile working-class people are saddled with rising costs for housing, healthcare, groceries, utilities and more.**
  - [Between 2020 and 2021, New York's millionaire class grew by over 10,000 people.](#)
  - New Yorkers earning between \$1 million and \$25 million saw their adjusted gross incomes rise by 21.3% from calendar year 2020 to 2021. Those making over \$25 million saw their incomes grow by over 80%.
  - Globally, billionaires are \$3.3 trillion richer than in 2020, and billionaire wealth has grown three times faster than the rate of inflation.

**New York State Can Address Affordability & Inequality by Taxing the Rich & Investing in the Needs of Working-Class Communities**

- **Stop-gap budgeting, which is what we've seen year and year in New York, might balance the budget, but it also creates uncertainty. The Invest in Our NY package will generate**

**billions of public dollars every year, ensuring lawmakers can budget long-term and make deep, sustainable investments in our state's essential programs and services.**

- **New York State can drive down unaffordability and address the wealth gap by increasing taxes on New York's richest people and most profitable corporations and making real investments in our communities.**
  - Childcare workforce as one example: Despite the widely understood importance of early childhood education, the child care workforce makes less than 97% of all other professions. These educators live in poverty and often leave for jobs in fast food or retail, where the pay is slightly higher. Investing directly in the child care workforce with revenue from the ultra wealthy would not only transform the lives of the more than seventeen thousand educators, but would also enable thousands of families and parents to go back to work themselves.
    - NYS loses approximately \$9.8 billion a year in productivity costs because of lack of childcare options for families.
  - New Yorkers across the state are facing a historic housing crisis. There are over a hundred thousand people who are homeless in our state, and millions who are rent-burdened. In this budget we can invest toward housing those who are currently homeless or at-risk of becoming homeless; ensuring tenants are able to stay in their homes; and building & preserving housing through the creation of a Social Housing Development Authority.
- **SURJ ROC supports the [Invest in Our New York package](#) which, if passed, would raise tens of billions of dollars** through a combination of personal income tax increases on the top 5% of earners, corporate tax reforms targeting the most profitable corporations (fewer than the top 1%), and addressing loopholes that allow millionaires and billionaires to shield their wealth from their tax liability. The Invest in Our New York package includes the following proposals:
  - The Progressive Income Tax Bill ([S2059-Jackson/A3115-Meeks](#)) would raise over \$21 billion annually by creating new brackets to the state's personal income tax. The bill would raise taxes on individuals earning over \$450,000 a year as single filers and \$500,000 as joint filers - only our state's top 5% of income earners.
  - The Capital Gains Bill ([S2162-Rivera/A2576-Kim](#)) would raise over \$12 billion annually by creating a surcharge tax on income generated by buying and selling stocks. The tax would only apply to people who earn over \$400,000 as single filers and \$500,000 as joint filers. Currently, people who earn their income through the buying and selling of stocks have a federal tax benefit (of up to 17%) which means they pay far fewer taxes than people who earn their income through hourly wages or other ordinary income. This bill would raise taxes on less than 1% of New Yorkers. In the last few years, both Washington State and Minnesota have passed capital gains taxes.
  - Corporate Tax Reforms ([S1980-Hoylman/A3690-Kelles, Shrestha](#)) would raise over \$7 billion annually by raising the corporate tax rates on corporations that make over \$2.5 million in profits in New York and creating additional progressive brackets for corporations earning over \$10 million in profit annually, and \$20 million in profit annually. These Corporate Tax Reforms would apply to every corporation that does business in New York - not just those headquartered in the state. The changes in the bill would not kick in until corporate profits exceed \$2.5 million and not impact small businesses. Eighty percent of corporations in New York make less than \$15,000 in profits annually and pay less than \$1,000 in corporate taxes every year. As of 2020, fewer than 0.14% of corporations reached \$1 million in profits. We can raise taxes on the wealthiest corporations and remain competitive: New York currently has the 2nd lowest tax rate

amongst the 12th northeastern states and our current corporate tax rates are lower than they were in 1990.

- The Heirs Tax ([S2782-Brisport/A3193-Solages](#)) would raise \$4 billion annually by replacing New York's existing estate tax by creating a tax that treats inherited income over \$250,000 as taxable income. The creation of this tax would impact less than 1% of inheritances - and those above \$250,000 would only be taxed at a low rate of 2.5%. The rate would increase for inheritances over \$1,000,000, which are almost entirely received by already wealthy individuals.
- The Billionaires Tax ([S1570-Ramos/A3252-Kelles](#)) would raise over \$20 billion in its first year and \$1.5 billion annually thereafter by creating a tax that targets the rising value of stocks and investment portfolios. This proposal creates a yearly tax on assets that have accumulated value, requiring billionaires to pay income tax rates on their investment gains. New York already has a system for assessing and taxing the increased value of items in the form of a property tax.

### **Raising Taxes on the Ultra-Wealthy to Fund Public Programs and Services is Popular Policy**

- [According to a December 2023 commissioned Siena College Research Institute \(SCRI\) poll](#), there is broad and consistent public support across New York to raise taxes on large, profitable corporations and the highest 5% of earners to fund public programs and services like affordable housing, universal childcare, and public transportation.
  - 74% of New Yorkers agree that lawmakers should increase taxes on the highest-earning individuals, highly profitable corporations, and the wealthiest New Yorkers in order to fund public programs and services.
  - 73% of New Yorkers agree that in order to address any budget shortfall, the state should increase taxes on the highest-earning individuals and profitable corporations rather than cut services.

### **Other**

- **While Governor Hochul proposes expanding criminal codes, we know that the safest communities in our state are the most well-resourced, NOT the most over-policed.**
  - Investing in housing, education, mental health treatment, and substance use treatment has been shown to prevent crime by providing people with the tools they need to thrive. For example:
    - Justice-involved supportive housing has been shown [to reduce jail admissions](#) by 38%, shelter admissions by 90%, and days in psychiatric facilities by 55%.
    - In 2018, job program participants from cities in New York, including Rochester, were [48% more likely](#) than non-participants to have steady jobs and 19% less likely to be rearrested.
- **Study after study has shown that increased taxes do not result in high-income earners leaving our state.**
  - [More than three-quarters of the highest income earners](#) (people making more than \$815,000 a year) who left the state during the pandemic moved to **other high-tax states** including Connecticut, New Jersey and California.
  - During her 2024 State of the State address, Governor Hochul acknowledged that increased taxes have **not** resulted in more outmigration.
  - Following tax increases on ultra-wealthy New Yorkers in 2017 and 2021, the state did **not** see increased outmigration of wealthy New Yorkers.

New York State has an opportunity to build on the advances of the last few years and make lasting investments in working-class and impoverished communities. The Senate and the Assembly must put

forward one-house budgets that include proposals to raise the needed resources to make deep, lasting investments in the lives of working-class and poor people.

Thank you.