



# PARTNERSHIP FOR NEW YORK CITY

## 2015 STATE BUDGET PRIORITIES

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The Partnership for New York City represents the city's largest private sector employers, investors and leading entrepreneurs. We work with government, labor and the non-profit sector to build the economy of New York. Partnership members employ nearly 1.5 million New Yorkers and account for \$254 billion of the state's GDP.

The Partnership is focused on job creation, education, infrastructure and opportunity for New Yorkers and our budget priorities reflect that:

- » **Reform NYC Business Taxes**
- » **Increase the state Minimum Wage and reduce regulatory burdens on business**
- » **Avoid New Entitlements & Tax Increases**
- » **Renew Mayoral Control & Increase Education Options**
- » **Support the MTA & expand the role of the private sector in infrastructure finance and construction**

### **REFORM NYC BUSINESS TAXES**

The Governor's budget includes a revenue neutral plan to conform the city's business tax code to the state, which modernized its tax code last year. This was important reform, but has limited impact unless New York City's business taxes are changed to align with the state. The Partnership urges the Legislature to approve Part QQ of Revenue Article VII of the Governor's budget, in order to reinforce New York City's role as a global financial and business center and strengthen our standing as a "Headquarters City".

### **INCREASE THE MINIMUM WAGE**

The Governor's budget proposes an increase in the state and city minimum wage, from the current rate of \$8.75/hour statewide to \$10.50 in the rest of the state and \$11.50 in New York City.

The Partnership supports this increase, but urges the legislature to take parallel action to reduce legal and regulatory burdens that add to employer costs, particularly for small businesses.

## **AVOID NEW ENTITLEMENTS & TAX INCREASES**

**Expensive Entitlements:** The Governor proposes \$1.7 billion in new tax expenditures to offset the cost of residential property taxes. This income-based property tax relief, known as a “circuit breaker,” creates expensive entitlements that will increase expenses and likely result in more pressure to raise taxes on those already heavily burdened, including business.

**Health Insurance Tax:** The Governor proposes a new tax on health insurance, totaling \$69 million annually, to pay costs of the state health exchange that was set up to implement the federal Affordable Care Act. This tax will be passed on to consumers and should be eliminated.

**Marketplace Provider Tax:** The Governor proposes a sales tax obligation on newly defined “marketplace providers,” requiring certain Internet e-commerce platforms to collect New York sales tax on sales made by their Internet sellers, even when the sellers are not based in New York. New York would be the first state to impose such a burden on this fast growing industry, contradicting state efforts to attract jobs in the tech sector.

## **RENEW MAYORAL CONTROL & INCREASE EDUCATION OPTIONS**

**Mayoral Control:** The Partnership strongly supports the renewal of Mayoral Control of the city schools. The Governor’s budget proposes a three year renewal, but the structure of accountability lying solely with the Mayor should be made permanent, as it is integral to continued improvement of the City’s school system.

**Education Reforms:** The Governor’s budget proposes significant education reforms designed to improve teacher quality. The Partnership supports these reforms, but only within the framework of maintaining mayoral control of their implementation.

**Charter Schools:** The Governor’s budget proposes authorization of 100 new charter schools and a \$75 per pupil funding increase in operating funds for charters. The Partnership supports eliminating the cap on new charters and provision for a larger funding increase to achieve parity with district schools.

**Tax credits:** The Partnership supports the Governor’s proposed \$100 million tax credit to provide relief for the costs of tuition of parochial schools.

**NYS DREAM Act:** The Governor has proposed implementing the NYS Dream Act to provide \$25 million in tuition support for children of illegal immigrants who attend public university. The Partnership supports this proposal.

## **SUPPORT THE MTA & EXPAND THE ROLE OF THE PRIVATE SECTOR IN INFRASTRUCTURE FINANCE AND CONSTRUCTION**

**Using bank settlement funds to support the MTA:** The Governor’s budget includes \$750 million over the next five years to help fund the Metropolitan Transportation Authority (MTA) capital program. The state has a “windfall” of \$5.4 billion from 2014 legal settlements with financial institutions. The Partnership proposes that most of these settlement proceeds be directed to a new funding mechanism to encourage public-private partnerships as a more efficient way to fund the MTA capital program.

**Design Build Expansion:** The Governor’s budget proposes to expand the authorization to carry out capital projects using design-build contracting to all State agencies, public authorities, SUNY and CUNY. Statewide expansion will encourage more efficient and cost-effective infrastructure development. The Partnership supports this proposal, but, like the de Blasio administration, urges the inclusion of New York City agencies and authorities.