

# Omnibus Consortium Omnibus Consortium

## Press Release

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### **Main Street Needs Help From Wall Street Property Tax Groups Urge State to Stop Wall Street Giveaways**

The Omnibus Consortium -- a statewide coalition of property tax reform groups, fiscal watchdogs, education advocates and unions -- is urging members of the Senate and Assembly to provide urgently needed property tax relief and to ask Wall Street to help fund it (property tax reform proposals can be found at [www.omnibustaxsolution.org](http://www.omnibustaxsolution.org)). The Consortium members contend that we can no longer continue to subsidize Wall Street at the present levels while we leave people on Main Street struggling with record foreclosures and high unemployment.

Revenue collected by New York State from the Stock Transfer Tax (fact sheet attached) has risen dramatically in recent years and remained at near record levels for 2009 (approximately \$16 Billion). Unfortunately, in 1981 New York State made an agreement to rebate the entire annual amount of the tax -- which rightfully belongs to the people of our state -- back to the brokers, basically as an inducement to ensure the Stock Exchange's continued presence in New York City. While Wall Street is obviously important to the state's financial health, we believe that, just as the people of our state helped rescue Wall Street from its financial crisis, New York State should now ask Wall Street to forgo a modest portion of the stock transfer tax rebate to fund property tax relief for residents experiencing unsustainable property tax burdens made even worse by the state's continued financial crisis and cuts to schools, healthcare and localities.

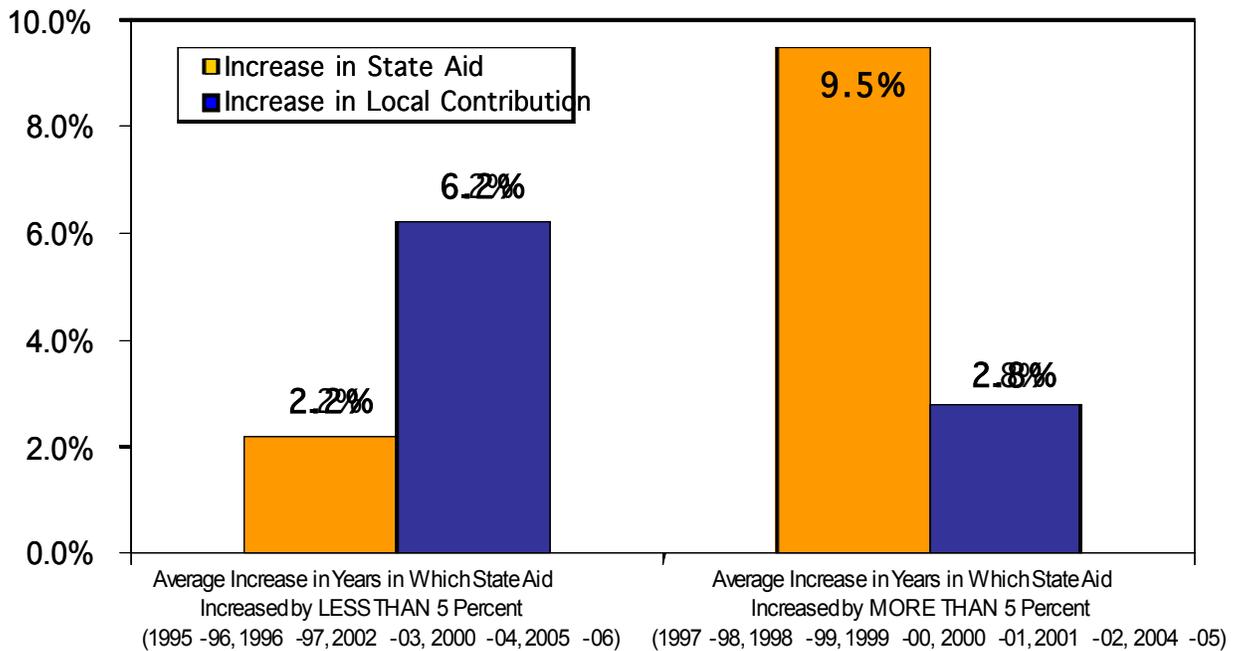
The consortium members believe that there are many ways in which Wall Street can help in solving New York's property tax and budget crisis. For example, simply lowering the rebate level of the Stock Transfer Tax from 100% to 80% would produce revenue of \$3.2 Billion, sufficient to gradually phase in a meaningful property tax circuit breaker while reducing the massive cuts to local governments and schools that are being debated in Albany and which would place additional pressure on our local taxes.

- The Great Recession was, in large part, caused by finance sector excesses.
- Wall Street's record 2009 profits resulted largely from taxpayer bailouts and favorable federal monetary policies that privilege the finance sector.
- Wall Street is looking at record profits: \$58 billion in 2009 (3 times higher than the previous record set in 2006 according to Mayor Bloomberg) and cash bonuses exceeding \$20 billion (which does not count tens of billions in stock options that were given as bonuses as well)

- While Wall Street may have recovered, New York's Main Street economy remains mired in the Great Recession.
- Widespread economic distress (lost jobs, lost health care, lost homes through foreclosures, lost retirement savings, lost opportunities) will continue for the foreseeable future.

The Consortium also acknowledges the fact that when the state pulls back on its funding commitments to education and aid to municipalities the inevitable result is an increase in taxes at the local level to make up the difference.

### When State Aid Increase is Low, Local Contribution Growth Is High. When State Aid Increase is High, Local Contribution Growth is Low



Average increase for New York State school districts, excluding New York City.

Source: New York State Education Department, Fiscal Profiles.

State Aid includes STAR reimbursements.