



REVENUE RAISERS: SUNY's Future, New York's Future



A January 2020 Data for Progress survey of 1,890 likely voters found that “New Yorkers support a wide range of tax increases, including an ultra-millionaires tax, a wealth tax, and a tax on second homes, by a margin of 49 points, with 67 percent supporting to 18 percent opposing (14 percent didn’t know).”

Studies done by independent budget groups—such as the Fiscal Policy Institute, among others—have highlighted the possible areas to capture revenue, while not affecting a growing economy. Most experts agree that investing in higher education and the next generation of workers is good for the economy. Capital investment creates jobs today; university research paves the way for innovations that will drive our industries tomorrow; and allows our students to graduate with less student debt, which liberates them to be entrepreneurs and gives them the disposable income to support local businesses and our upstate communities.

United University Professions believes that a portion of these revenues should be used to support SUNY colleges, universities, public hospitals and academic medical centers:

UUP supports the creation of new sources of revenue to fund SUNY and CUNY, and to reverse a decade of disinvestment in public higher education.

1

Enhanced Millionaires' Tax: \$2 billion in new state revenue annually

- The Enhanced Millionaires' Tax would expand the existing tax code by creating additional brackets and making it permanent.
- Roughly one-sixth of the projected state revenue will be paid by out-of-state residents who work in New York.
- The 2020-2021 Executive Budget proposal includes a five-year 8.82 percent Personal Income Tax extension on high-income earners (a.k.a. Millionaires' Tax). But the tax rate is lower than what advocates want and it will be phased out in 2024.
- The revenue prediction—and support for the bill—comes from the Fiscal Policy Institute, and the Center on Budget and Policy Priorities.

OVER

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Fast Facts: Let's Make **REAL** Progress for SUNY

2

Remove Carried Interest Loophole: \$3.5 billion in new state revenue annually

- Through an obscure tax loophole, wealthy real estate investors received a special loophole in the new federal tax law. Hedge funds and private equity funds are using the loophole, too—many pay lower tax rates than middle-class families. Closing the loophole is imperative.
- Sen. Hoylman (S00303) and Assemblymember Aubry (A03976) support this bill.

3

Allow Mobile Sports Betting: Up to \$90 million in new state revenue annually

- New York's neighbors have legalized mobile betting and have been reaping the revenues. By allowing sports betting, the state could bring in up to \$90 in additional taxes each year.
- Sen. Addabbo (S00017) and Assemblymember Pretlow (A06113-C) have introduced this bill. The senator is on the record stating that further delays in legalized betting in New York means the loss of millions in taxes to New Jersey; he recommends the new revenue could go directly into education and job growth.

4

Reduce or Eliminate Stock Transfer Tax: Up to \$14 billion in new state revenue annually

- This tax, enacted in 1905, still exists in state law at one-quarter of 1 percent on transfers of stocks and bonds in the financial markets. In the 1980s, the state began rebating the collected revenue to stockbrokers.
- Reducing or eliminating this tax would also cut down on financial “churning,” where money is moved around in the financial industry with no impact on economic productivity or our economy.
- Sen. Sanders (S06203) and Assemblymember Steck (A07791-A) sponsored this legislation.

5

Pied-à-terre tax: \$560 million in new state revenue annually

- This legislation would tax luxury residential property not used as primary residences by their owners.
- Tax kicks in at \$5 million in value with escalating impact.
- Range of expected annual revenue: \$490 million to \$650 million.
- Sen. Hoylman (S00044) and Assemblymember Glick (A04540) have proposed this legislation.



MAKE PUBLIC HIGHER EDUCATION A TOP PRIORITY:

There is a way for New York State to make smart investments to ensure a more fair and just society through education and opportunity. The governor has often said the budget is where you stake out your priorities. The men and women of UUP—and the hundreds of thousands of students we lead—are asking that public higher education again be a top priority for New York State.