



March 19, 2010

New York Taxpayer Protection Pledge Signers

Dear Pledge Signer:

As you debate the next state budget, with the potential for a sharp increase in spending funded by billions of dollars in tax increases, I ask that you remember the pledge you made to your constituents to oppose and vote against any and all efforts to increase taxes. No matter the secondary purpose of a tax increase – to curb obesity, to reduce smoking, or to save the environment – the primary motive of the tax hikers is to take more money from New Yorkers and transfer it to government. **A vote for any tax increase, including those on tobacco and “sugary drinks,” is a violation of the Taxpayer Protection Pledge.**

Your promise to your constituents is as important now as it has ever been. Big spenders in Albany continue to show how out of touch they are with the interests of taxpayers, proposing more tax increases to fund a budget proposal by Gov. Paterson that actually increases spending by \$800 million. This, of course, comes on the heels of an 8 percent increase in the size of state government in 2009.

The two major targets of Gov. Paterson’s latest big government proposal are tobacco and “sugary drinks.” It is important to note that both of these are more of the same that New Yorkers have come to expect: higher taxes to fund more government.

- **A \$1 per pack cigarette tax increase would give New York the highest rate in the nation.** This is a regressive tax, hitting low-income residents – those most likely to smoke – the hardest. In New York, over 26 percent of those earning less than \$15,000 per year are smokers, as opposed to under 12 percent of those earning \$50,000 or more. If the tax increase passes, the poorest smokers will forfeit 15.2 percent of their income to the government; those earning the median income will pay 4.5 percent. But the cigarette tax affects non-smokers as well. Tax-paid cigarette sales declined 3.2 percent annually between 2000 and 2009. By becoming increasingly reliant on a declining revenue source, New York is ensuring future budget deficits to be made up by tax increases on income, sales, and property.
- **A “sugary drinks” tax has nothing to do with obesity – it is a money grab for state government.** Claims that a soda tax will curb obesity are dubious. While it is true that there is a direct link behind taxation and behavior – increase the price of something and people consume less of it – there is no evidence that driving up the cost of soda will shrink New Yorkers’ waistlines. Instead, this is a revenue grab for a state with a multi-billion dollar overspending problem. Rather than come to terms with his addiction to tax dollars, the Governor is pushing another regressive tax on the poor, hammering retailers who provide thousands of jobs in the state.

The bottom line is simple: Tax increases of any kind are the wrong solution to New York’s problem. I urge you to keep your pledge to the taxpayers of your district and oppose these and any other big government revenue grabs in 2010.

Onward,

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