ALBANY, NEW YORK

March 29, 1994

3:39 p.m.

REGULAR SESSION

SENATOR HUGH T. FARLEY, Acting President

STEPHEN F. SLOAN, Secretary

P R O C E E D I N G S

ACTING PRESIDENT FARLEY: Senate will come to order.

Please rise with me for the Pledge of Allegiance to the Flag.

(Whereupon, the Senate joined in the Pledge of Allegiance to the Flag.)

Pastor Patricia MacKinnon, Fair Havens Church of North Tonawanda, New York.

Pastor MacKinnon.

PASTOR PATRICIA MacKINNON: Father, I open Your word in this Senate. I come to You this day in the name of Jesus. I pray for the United States of America. I bring to You remembrance, the prayers of our forefathers; and, Lord, I thank You for this great land and for the words of Thomas Jefferson:

"Even with all the imperfections of our government, it is without comparison the best existing or that ever did exist."

So, Lord, teach us to number our days that we will know wisdom. We thank You, Father, that as You gave us life, You also gave

us liberty. Teach us to fear You, my Father, that our enemies will once again fear us. Lead us once more beside the still waters and, my God, restore our souls.

I pray this day for our President that he would hear Your voice and walk in Your wisdom. Hide not Thy face from him and the day that he calls unto Thee.

I bring to You our state elected officials, our Governor and these our Senators. Father, protect, guide, and keep them. Grant them Your peace that passes all understanding. I pray this day for each one of the 61 representatives of this house. With long life satisfy them and show them Thy great salvation.

Lord, man looks upon the outward appearance, but Your word says that You look in the heart. You know every heart and every need in this place. Grant them Your wisdom and knowledge to make the decisions needed in every area of their lives.

Hear my cry, O God. Attend unto my prayer. From the end of the earth will I cry

unto Thee.

When my heart is overwhelmed, lead me to the Rock that is higher than I.

And now, Lord, grant unto these people Your great peace as I quote the words of this old familiar prayer.

Our Father in heaven, we pray for the members of this body and their several responsibilities. Make them, dear Lord -- make them see that You are not the God of any one party or any one nation or any one race.

Teach us that freedom may be seen not as the right to do as we please but as the opportunity to do what is right.

Give us the courage to stand for something lest we fall for anything; save us from hot heads that would lead to us act foolishly and from cold feet that would keep us from acting at all.

Create new warmth and love between the members of the Senate so that they may go at their work not head first but heart first.

Help us, our Father, to show other nations an America to imitate, an America that loves fair play, honest dealing, real freedom, and faith in almighty God.

Help us make this God's own country by living like God's own people.

In all of these things, I pray that Thy will be done, my Father, in Jesus matchless name.

Amen.

ACTING PRESIDENT FARLEY: The Secretary will begin by reading the Journal.

THE SECRETARY: In Senate, Monday, March 28. The Senate met pursuant to adjournment. Senator Bruno in the chair upon designation of the Temporary President. The Journal of Sunday, March 27, was read and approved. On motion, Senate adjourned.

ACTING PRESIDENT FARLEY: Hearing no objection, the Journal will stand approved as read.

The order of business:

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator DiCarlo.

SENATOR DiCARLO: Mr. President. I offer the -- amendments are offered to the following Third Reading Calendar bills:

Senator Levy, page 7, Calendar 265, 1707.

Senator Stafford, page 8, Calendar 282, Senate Print 437.

Senator Holland, page 8, Calendar 301, 6309-A.

Senator Wright, page 15, Calendar 438, 6864.

Senator Cook, page 16, Calendar 445, 574.

Senator LaValle, page 16, Calendar 448, 2487.

Mr. President. I now move that these bills retain their place on the order of third reading.

ACTING PRESIDENT FARLEY: Amendments received. The bills will retain their places.

Senator Rath, do you have a motion?

SENATOR RATH: Mr. President. On behalf of Senator Farley, I would like to ask that Bill Number 435 be starred.

On behalf of Senator Skelos, I would like to ask that Bill Number 429 be starred.

Thank you.

ACTING PRESIDENT FARLEY: Without objection.

Senator Kuhl.

SENATOR KUHL: Yes, Mr. President. On behalf of Senator Maltese, I would like to move that the following bill be discharged from its respective committee and be recommitted with instructions to strike the

enacting clause: That is Senate Print 4912.

On behalf of Senator Hannon, I'd move that the following bills be discharged from their respective committees and be recommitted with instructions to strike the enacting clause: That's Senate Print 3752A, Senate Print 3841, Senate Print 4816.

ACTING PRESIDENT FARLEY: So ordered, without objection.

SENATOR KUHL: Mr. President. On behalf of Senator Lack, I wish to call up his bill, Senate Print 1396, recalled from the Assembly which is now at the desk.

ACTING PRESIDENT FARLEY: Secretary will read Senator Lack's bill.

THE SECRETARY: By Senator Lack, Senate Bill Number 1396, an act to amend the Civil Service Law.

SENATOR KUHL: Mr. President. I now move to reconsider the vote by which the bill was passed.

ACTING PRESIDENT FARLEY: The Secretary will call the roll on reconsideration.

(The Secretary called the roll on reconsideration.)

THE SECRETARY: Ayes 38.

ACTING PRESIDENT FARLEY: The bill is before the house.

SENATOR KUHL: Offer up the following amendments.

ACTING PRESIDENT FARLEY: Amendments received. The bill will retain its place.

SENATOR KUHL: Thank you.

ACTING PRESIDENT FARLEY: Senator Spano.

SENATOR SPANO: Mr. President. Just an announcement for the members of the Labor Committee that the -- we did send some notices out that the meeting tomorrow is cancelled and will be rescheduled.

Thank you.

ACTING PRESIDENT FARLEY: The Senate Labor Committee for tomorrow is cancelled. So ordered.

Do you have a report?

SENATOR PRESENT: Mr. President. Is there a report of a standing committee.

ACTING PRESIDENT FARLEY: Yes, we do, Senator Present.

SENATOR PRESENT: May we have it read, please.

ACTING PRESIDENT FARLEY: Secretary will read the report of a standing committee.

THE SECRETARY: Senator Marino from the Committee on Rules reports the following bill directly for third reading:

Senate Bill Number 7246, by Senator Marino, an act to amend the Tax Law, Chapter 298 of the Laws of 1985, relating to amending the Tax Law. Reported for third reading.

ACTING PRESIDENT FARLEY: Directly to third reading, without objection.

Senator Present.

SENATOR PRESENT: Mr. President. Would you recognize Senator Daly.

ACTING PRESIDENT FARLEY: Senator

Daly.

SENATOR DALY: Yes. Mr. President, do you have a resolution at the desk?

ACTING PRESIDENT FARLEY: I think we do.

SENATOR DALY: It concerns the Blue Knight organization, and we have a large contingent representing this exemplary organization with us today, and would ask that the resolution be read in its entirety.

ACTING PRESIDENT FARLEY: The Secretary will read the resolution in its entirety.

THE SECRETARY: Legislative Resolution, by Senator Daly and others, commemorating the Blue Knights Day in the State of New York on September 2, 1994.

Whereas, a great state is only as great as those persons and organizations that provide exemplary service to their community, whether through participation in voluntary programs, through unique personal achievement in

their professional or other endeavors or simply through a lifetime of good citizenry.

The Blue Knights is an International Law Enforcement recreational motorcycle club which is extremely active in charity fund raising and donations of their time, especially to children's philanthropy.

The fraternal organization of the Blue Knights began a local club in 1974 and grew to be an international organization with over 10,000 members throughout North America, Australia, and Europe.

The dedicated service of New York Chapter VII, President Ralph Vigliante; President New York Chapter X, Vincent Porcello; President New York Chapter V, Mike Lockhart; and International President, James Burges, has greatly furthered the benevolent activities of this organization.

Such service which is truly the lifeblood of the community and the state so often goes unrecognized and unrewarded.

Now, therefore, be it resolved,

that this legislative body pause in its deliberations to commemorate Blue Knights Day in the State of New York on September 2, 1994, recognizing their good causes and humanitarian endeavors of the Blue Knights; and it be further

Resolved, that copies of this resolution, suitably engrossed, be transmitted to the Blue Knights of the State of New York including Ralph Vigliante, Vincent Porcello, Mike Lockhart and James Burges.

ACTING PRESIDENT FARLEY: Senator Daly on the resolution.

SENATOR DALY: Mr. President. I am delighted to say that we have a large contingent representing this organization today, and I would ask that you convey to them the best wishes and congratulations of this body.

ACTING PRESIDENT FARLEY: We're pleased to have you in the chamber. On behalf of Senator Daly, congratulations. The entire Senate is proud of you, and we welcome you here and come back and see us again.

(Applause.)

Now, we'll adopt the resolution.

All in favor of adopting the resolutions, say aye.

(Response of "Aye.")

Those opposed, nay.

(There was no response.)

The resolution is adopted.

Thank you.

Senator Gold, do you have a motion?

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR GOLD: Would you please recognize the distinguished gentleman from the County of the Bronx, Senator Espada.

SENATOR ESPADA: Thank you so much.

ACTING PRESIDENT FARLEY: Senator Espada.

SENATOR ESPADA: Mr. President. I move that the following bills be discharged from their respective committees and be

recommitted with instructions to strike the enacting clause: That being 6328.

ACTING PRESIDENT FARLEY: Without objection.

SENATOR ESPADA: Thank you.

ACTING PRESIDENT FARLEY: Any other motions on the floor?

Senator Bruno.

SENATOR BRUNO: Mr. President. I'm honored to have a guest visiting for the afternoon, and it is John Jaynes that some of you may have seen in Dynasty, in that series, and John is here taking a look at how the Legislature functions. He has moved into Senator Stafford's district, is a neighbor of mine, but he is flexible. He may move anywhere in this state.

Thank you, Mr. President.

ACTING PRESIDENT FARLEY: Welcome to the chamber. We're pleased to have you come to Schenectady anytime.

(Applause.)

ACTING PRESIDENT FARLEY: Any

other motions on the floor? Any announcements or introductions?

Senator Present.

SENATOR PRESENT: Mr. President. Let's take up the noncontroversial calendar, please.

ACTING PRESIDENT FARLEY: Noncontroversial. The Secretary will read.

THE SECRETARY: On page 7 of today's calendar, Calendar Number 222, by the Assembly Committee on Rules, Assembly Bill Number 8651A, an act to amend the State Finance Law and the Public Authorities Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 47.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 232, by Senator Holland, Senate Bill Number 1775B, an act to amend Chapter 942 of the Laws of 1983.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 48.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 364, by Senator Bruno, Senate Bill Number 6701A, an act to amend to redistribute 1994 bonds volume allocations.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call

the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 47. Nays 1. Senator Kuhl recorded in the negative.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 400, by Member of the Assembly Brodsky, Assembly Bill Number 9628A, Environmental Conservation Law, in relation to the State Super Fund Management Board.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

SENATOR DALY: Mr. President. Lay the bill aside.

ACTING PRESIDENT FARLEY: Lay the bill aside.

SENATOR DALY: Star the bill.

ACTING PRESIDENT FARLEY: Star the bill at the request of the sponsor.

THE SECRETARY: Calendar Number

401, by Senator Skelos.

SENATOR PRESENT: Lay it aside for the day.

ACTING PRESIDENT FARLEY: Lay it aside for the day.

THE SECRETARY: Calendar Number 412, by Senator Johnson, Senate Bill Number 2326A, an act to amend the Navigation Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 48.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 420, by Senator Wright, Senate Bill Number 7013, State Administrative Procedure Act.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 422, by Senator Holland, Senate Bill Number 177A, an act to amend the Vehicle and Traffic Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 423, by Senator Farley, Senate Bill Number -

SENATOR GOLD: Can we have one day on this, please, sir?

ACTING PRESIDENT FARLEY: Lay the bill aside for today.

THE SECRETARY: Calendar Number 425, by Senator Kuhl, Senate Bill Number 1813, an act to amend the Tax Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 427, by Senator Cook, Senate Bill Number 4326, an act to named the Tax Law, in relation to exemptions from sales and use taxes.

SENATOR LEICHTER: Lay it aside.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 428, by Senator Bruno, Senate Bill Number 5736A, Tax Law, in relation to inspection of tax returns.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 430, by Senator Levy, Senate Bill Number 72A, an act to amend the Transportation Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Yes.

SENATOR GOLD: Did we pass over 429?

ACTING PRESIDENT FARLEY: That was starred, earlier.

That bill is passed, 430.

THE SECRETARY: Calendar Number 431, by Senator Levy, Senate Bill Number 73, Vehicle and Traffic Law, in relation to pedestrian right of way in crosswalks.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 47. Nays 2. Senators Kuhl and Wright recorded in the negative.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 436, by Senator Trunzo, Senate Bill Number

5974A, Highway Law, in relation to designating a portion of the state highway system in Suffolk County.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 437, by Senator DiCarlo, Senate Bill Number 6807.

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 439, by Senator Seward, Senate Bill Number 6962, Highway Law, in relation to designating State Route 5S as the Erie Canal Trail.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 440, by Senator Tully, Senate Bill Number 781, authorizing and directing the Commissioner of Office of General Services to erect a suitable marked monument.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 441, by Senator Farley, Senate Bill Number 2192A, an act to amend the Civil Service Law and the Executive Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 442, by Senator DeFrancisco, Senate Bill Number 3952A, an act to amend the Parks, Recreation and Historic Preservation Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This

act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 443, by Senator Maltese, Senate Bill Number 6682, Education Law, in relation to student aid programs for Vietnam veterans.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 444, by Senator DiCarlo, Senate Bill Number

7135, an act to amend Chapter 888 of the Laws of 1990.

SENATOR GOLD: Last section.

ACTING PRESIDENT FARLEY: Did you say lay it aside or last section?

SENATOR GOLD: Last section.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 446, by Senator Saland, Senate Bill Number 686A, an act to amend the Real Property Tax Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 447, by Senator Present, Senate Bill Number 2222, amends Chapter 263 of the Laws of 1981.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 449, by Senator Lack, Senate Bill Number 3713, an act to amend the Town Law.

ACTING PRESIDENT FARLEY: Read

the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 450, by Senator Marino, Senate Bill Number 3827, an act to amend the General Municipal Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number

452, by Senator Saland, Senate Bill Number 5372A, an act to amend the Town Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 453, by Senator Libous, Senate Bill Number 5691A, an act to amend the Real Property Tax Law, in relation to real property tax exemption for clergy.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 454, by Senator Skelos, Senate Bill Number 6317, amends Chapter 627 of the Laws of 1993.

ACTING PRESIDENT FARLEY: There is a home rule message here at the desk.

Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 456, by Senator Kuhl, Senate Bill Number 6514, dissolution of Sewer District Number 1 in the Town of Elmira.

ACTING PRESIDENT FARLEY: Read

the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 49.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 457, by Senator Cook, Senate Bill Number 6625, making certain findings and determinations with respect to a temporary advance of monies.

ACTING PRESIDENT FARLEY: There is a home rule message here at the desk.

You can read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50.

ACTING PRESIDENT FARLEY: The

bill is passed.

THE SECRETARY: Calendar Number 459, by Senator Nozzolio, Senate Bill Number 6818A, amends Chapter 615 of the Laws of 1992, establishing a public library district.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 460, by Senator Larkin, Senate Bill Number 6821, to establish a library district in the Town of Monroe, Orange County.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 461, by Senator Bruno, Senate Bill Number 5870, authorize the Town of Clifton Park, Saratoga County, to employ town constables.

ACTING PRESIDENT FARLEY: There is a home rule message here at the desk.

Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 462, by Senator Larkin, Senate Bill 7067B, an

act to amend the Local Finance Law.

SENATOR GOLD: Lay it aside.

ACTING PRESIDENT FARLEY: Lay it aside.

THE SECRETARY: Calendar Number 471, reported earlier direct to third reading, by Senator Marino, Senate Bill Number 7246, an act to amend the Tax Law.

SENATOR GOLD: Explanation.

ACTING PRESIDENT FARLEY: Explanation. Senator Present, do you wish to take it up now?

SENATOR PRESENT: No. Lay it aside.

ACTING PRESIDENT FARLEY: Lay it aside.

That is the the first time through.

SENATOR PRESENT: Controversial calendar.

ACTING PRESIDENT FARLEY: Controversial. Page 13.

THE SECRETARY: Calendar Number

420, by Senator Wright, Senate Bill Number 7013, an act to amend the State Administrative Procedure Act and the Executive Law.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: On page 14, Calendar Number 427, by Senator Cook -

SENATOR GOLD: Last section.

THE SECRETARY: -- Senate Bill Number 4326, an act to amend the Tax Law, in relation to exemptions from sales and use taxes.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 437, by Senator DiCarlo, Senate Bill Number 6807, an act to amend the Vehicle and Traffic Law, in relation to making technical corrections.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes 50.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 462, by Senator Larkin, Senate Bill Number

7067B, an act to amend the Local Finance Law.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR GOLD: Yes. Will Senator Larkin yield to a question?

ACTING PRESIDENT FARLEY: Senator Larkin, would you yield to a question from Senator Gold?

SENATOR LARKIN: Yes.

SENATOR GOLD: Senator Larkin, it's my understanding that the purpose of this legislation is to allow municipalities to raise money in order to pay for extraordinary costs and road maintenance as a result of the unusual snows and weather conditions this winter. Is that true?

SENATOR LARKIN: Yes, Senator. This is based on previous legislation that was adopted by both houses and signed into law by the Governor in 1968 and in 1983 for the same severe conditions.

SENATOR GOLD: Will the Senator

yield to a question?

SENATOR LARKIN: Yes.

SENATOR GOLD: Senator Larkin, do you have any idea how much money on a statewide basis was used by the municipalities for this?

SENATOR LARKIN: No, and we've asked the Association of Towns and Conference of Mayors; and they, at this point, do not have an estimate.

SENATOR GOLD: Will Senator yield to one more question?

SENATOR LARKIN: Yes, Senator.

SENATOR GOLD: Senator, basically, your bill would allow the municipalities to bond these obligations and then pay them off over a five-year period at whatever the best interest rate they can get. Is that right?

SENATOR LARKIN: Yes, Senator.

SENATOR GOLD: Yeah, all right. Mr. President.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR GOLD: Mr. President. I offer the following amendment, which has been served properly, a copy of which is at the desk, waive its reading, ask for a little quiet and the opportunity to explain it.

ACTING PRESIDENT FARLEY: Let's have a little order in the chamber.

We have the amendment at the desk. You may proceed.

SENATOR GOLD: Mr. President. Senator Larkin by putting in this bill shows a sensitivity to the fact that the municipalities throughout the State of New York have some extraordinary expense this year, unpredictable, nobody's fault, caused by acts of God and because of the weather.

But the bottom line is that if we pass the Larkin bill, the municipalities would go into debt. They would have to borrow, pay it off over five years plus the interest.

My amendment is a really very simple amendment. My amendment appropriates $60 million, or as much thereof as is necessary, to

give it to the localities. Now, that $60 million will come from a very easy source. From us.

We care about our localities, and we have this slush fund. Now, what could be better for getting rid of snow monies than slush? It fits. It's a match. It's a natural.

And what we do is we take the $60 million that we have secreted away in that little cookie jar in the Leader's office, and we give it to the localities that you represent and that I represent and let them pay right out with that money for the snow costs. That way they do not have to issue bonds. They do not have to pay interest. They do not have to maintain the debt. And it seems to me we would then be responding in the most responsible way to the needs of local governments.

Now, I happen to come from New York City, very proud of it, and we in New York City had some very extraordinary costs. But I know in the Upstate areas and I know in Nassau and Suffolk, they had extraordinary costs. And

you always get more snow, I guess, Upstate than we get in the City.

And what this would do is put the money aside, and I don't even have a formula in there. If more of the money goes to Upstate and it helps the Upstate localities, that's terrific; or if it goes to Nassau-Suffolk, I think that's terrific. I say, wherever the need is, let them have the money.

But the Larkin bill, as it stands, does nothing more than authorize your communities to go into debt. Now, I will concede that there are plenty of opportunities -- or plenty of situations, rather, where the localities have to go into debt, and we ought to give them that right to operate their business. But on the other hand, I in good conscience could not vote to put them into debt while we are sitting on $60 million of their money, taxpayer money, earmarked for nothing, sitting as a slush fund usable by legislative leaders.

So this is the first of many

opportunities we will have. As a matter of fact, I take it back. I hope this will be the last opportunity because we will act responsibly. And a responsible way is to once and for all get rid of that $60 million, and we could do it by amending this bill right now in such a way as to end the slush fund and give it back to the municipalities.

ACTING PRESIDENT FARLEY: On the amendment. Senator Larkin.

SENATOR LARKIN: Mr. President. I don't feel the amendment is consistent with Article section, Section 5, which specifically says neither house of the legislature shall consider any other money bill appropriations until all the appropriations submitted by the governor shall have been finally acted upon by both houses except on a message from the governor certifying the necessary.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Do you wish to respond to that, Senator Gold?

SENATOR GOLD: Oh, of course.

Senator Larkin, as usual, we find intellect coming from your mouth. You are absolutely right. We can not vote on final passage if your bill is amended. But the constitution does not prohibit us from introducing legislation and/or amending legislation, getting it ready.

If my amendment passes today, Senator Larkin, and then it is printed, we will either have to wait for three days or get a message from the Governor. You're right. But we are right now in the middle of the budget process.

Today is March 29; and as everybody knows, we will have a budget in about two and a half days and then be on vacation. So it won't even be a question of waiting more than the three days.

You are absolutely right. If I was asking for final passage, Senator Larkin, I couldn't do it. But I have an absolute right to ask this house to amend this bill so that we can have an intelligent approach to the way we handle this particular problem and the

localities we represent.

ACTING PRESIDENT FARLEY: On the amendment.

SENATOR GOLD: Party vote in the affirmative.

SENATOR PRESENT: Party vote in the negative.

ACTING PRESIDENT FARLEY: Call the roll on a party vote.

(The Secretary called the roll.)

THE SECRETARY: Ayes 21. Nays 31. Party vote.

ACTING PRESIDENT FARLEY: The amendment fails. It is not agreed to.

Read the last section of the bill.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Call the roll.

(The Secretary called the roll.)

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Senator

Gold.

SENATOR GOLD: Yes. Just to explain my own vote.

Mr. President. It's easy enough to say now that this house has turned down an intelligent financial -- fiscally intelligent alternative that I should throw up my hands and say, "Well, we have no other choice." I will not do that. That is ridiculous. That is hiding from our responsibilities.

And while I know that there are many people on this side who may want to vote in favor of it and everyone is free to do what they want, I absolutely will vote in the negative. It is an absurdity for a legislature, particularly a legislature that is controlled by a majority party that calls itself fiscally responsible, to vote to require municipalities to go into debt for something as important as this snow removal program when we have the money, and it's not our money. It's the money of our constituents.

So we are telling our

constituents you go into debt and borrow the money to do a job because we're holding your money in case we want extra newsletters, extra staff or we want to run over our budget, et cetera, et cetera, et cetera. It is an embarrassment that we will not give this money back to the localities or do something useful with it.

I vote in the negative.

ACTING PRESIDENT FARLEY: Results.

THE SECRETARY: Ayes 52.

ACTING PRESIDENT FARLEY: No. Negatives raise their hand.

THE SECRETARY: Ayes 48. Nays 4. Senators Galiber, Gold, Mendez and Stavisky recorded in the negative.

ACTING PRESIDENT FARLEY: The bill is passed.

THE SECRETARY: Calendar Number 471, by Senator Marino, Senate Bill Number 7246, an act to amend the Tax Law.

SENATOR GOLD: Explanation.

ACTING PRESIDENT FARLEY: Explanation. Senator Stafford.

SENATOR STAFFORD: Thank you, Mr. President.

Today is the day when I would suggest we're taking a step in a much needed direction.

I would be the first to emphasize that the public sector is extremely important in this state. Like many of you, I have had relatives in the public sector. Very proud of it.

But, Mr. President, I haven't been one who just shouted for the sake of shouting; but I have come to the realization that if we don't have a viable economy in this state, then we're not going to have a public sector or a private sector. We're going to have nothing.

We can be proud of many, many things, steps that have been taken in this state; but, once again, I would emphasize if we don't have a viable private sector providing the

fuel that keeps the economy going, revenues, then obviously we're in very, very serious condition.

We just have to look. Two magazine articles in the last 30 days. The Forbes article which emphasized a number of our problems. Fortune just came out -- might not have been Fortune, but it was pointed out that we're third now in the Fortune 500 Companies. We used to be first. I believe Illinois and California are ahead of us.

It's very, very serious. And we simply have to take steps to make our state, in effect, friendly to business or at least treat business the way other states do.

This is a competitive problem. Other states have taken our industry, and that's just the real world. I think we can get back on the right track, and I think we will, but I think we have to send a message to the private sector and, yes, I think we have to make it possible for businesses to stay in business here in New York.

I will be the first to say when we argue about businesses leaving, there are many, many reasons. Sometimes it is not exactly what they are suggesting, but I do know just from my own area that businesses are moving into other areas, and it is devastating, absolutely devastating, because we completely lose our tax base, and it's that simple.

And I'm not saying that we shouldn't have a real concern and a social conscience. I think we do. And I would suggest that some of the people who are being, in effect, driven out of the state have that conscience.

We have to make many changes, but one change we have to make, we have to reduce the taxes here in New York. I think for some of us this kind of just bounces off our ear drums. I know it has mine at times. But I'm seriously concerned that if we don't do something, we're just going to go completely the wrong way, and we aren't going to have the great state that we have.

Fortunately, many people in government agree. This is a bipartisan concern. I for one never have had much of a stomach for crass politics, but on the other hand I do know that unless we do something and make it possible -- just make it possible not even friendly -- for businesses to operate in this state, we're just going to be in more serious -- a more serious situation.

I find this. I just emphasize this and then I will go on to what the bill does. But, for instance, in a school district, when you have a major corporation leave, I mean it's a disaster. It's a complete disaster. We don't have the funding for the school, and then it goes on local properties owners. They can't afford it. We have the older people and we have the retired and we have many, agriculture, that just can't stand that real property increase.

I compliment all who have been part of making this all possible. There have been many, many members, and I might add, who have been calling for this a number of years ago

and have called louder and louder. The staff that put it together and of course the leader, Senator Marino, who has taken this step with this legislation, and those supporting him who have been supporting this position for many, yes, years.

Now, what have we done with corporate taxes? What we have done is we have reduced them, and we completely phase out the corporate surtax, and the surtax would drop to 10 percent effective January '94; and then '95, they would go to zero. That is a major, major provision, obviously.

We also reduce the alternate minimum tax from 5 percent to 3-1/2 percent on January '95, as provided under current law. We don't want to change. We don't want to change the law concerning that provision.

And we allow retroactive deductibility of net operating losses going back to 1990 to include losses incurred during the recent recession. This is very, very important. This provision, which would conform

state law to the federal tax code and the tax laws of most other states, is critical to the state's many industries.

You know, I point out again, we've got to get in line with other states in this state. We simply can't see ourselves and watch ourselves, for instance, go from one to three in having the top corporations in this state.

We also provide an incentive for companies with property, employees in New York to remain in the state by restoring the same double weighting of the sales factor to the corporate minimum tax which now applies to the regular corporate tax generally. This provision is consistent with other states that impose a minimum tax. Very, very important.

The next provision, Mr. President, that I would talk about is known as the PBT. I've had friends of mine that are affected by this bill go into an absolute rage; and when I thought about it, I understood why. In fact, the gross receipts, that's a terrible,

terrible way to tax. We've had the same problem in the hospital area. But this is -- it's just unfair, and it's ridiculous, and we simply have to make a change. We have to make a change in this tax.

I have met with people who are in the industry and usually -- usually -- you can make an argument. Usually, you can make an argument for a position. But believe you me when you sit there and listen to them, it's very difficult to give a logical argument. And what we're doing is we allow the petroleum business tax to drop with falling petroleum prices. Now, that's very, very important. Now, if the prices go lower, they still pay a higher tax. Ridiculous.

We provide an exemption from the PBT for farmers for both diesel fuel and gasoline. And that's something I know a little something about. I know the edge, the edge that farmers are operating on right now. Very, very necessary.

It would also exempt commercial

heating fuel from the PBT. This would also benefit non-profit groups. And all of you, I'm sure, have heard from groups, organizations that are nonprofit that are concerned about this tax.

And it also would repeal the current 10 cent per quart tax on motor oil and lubricants, and I assure you, Mr. President, that this is a tax whose time has come to be repealed in this manner. Very, very necessary.

Next, we to go the hotel tax. I would share with all of my friends that many people thought that the hotel tax just affected people in the metropolitan areas. Well, I don't think you'd call Lake Placid metropolitan, and it's been a disaster. It's been a disaster. Because these people can go other places rather than stop in Lake Placid, which of course the 5 percent is a hefty amount.

Now, actually, there are other areas. I could go through every single one. I don't think you would want me to, but I would point out one thing as far as estate taxes are

concerned. We effectively adopt the federal pickup to increase the state tax exemptions for small family-owned firms that can be swallowed up by the current law. Our plan would eliminate the New York estate tax for estates valued over 175,000.

Also, we would provide a temporary exemption from the real estate gains tax for certain construction costs to encourage new construction and expansions, many expenses will be included that, in effect, do support that very, very important industry which provides thousands and thousands of jobs.

We exempt Thruway mileage from the highway use tax, encourage truckers to use New York highways for interstate travel; and when they do, we obviously get an income from many of their purchases. And also it's pointed out that when they pay their fee on the Thruway, they actually are paying for the use and really should not be included.

We phase out the two cents tax on beverage containers by April 1, 1995. The tax

was originally adopted to cover debt service on the 1990 Environmental Bond Act which was defeated by the voters. Since that time, tax receipts have been deposited in the state's general fund.

We also would eliminate the tax on sparkling beverages to stimulate this growing industry.

We also create a vendor allowance of up to $400 a year to reimburse businesses for collecting state taxes. I would mention this to you. We have to keep our sense of humor, but I am going to share with you that I could sort of claim a little credit for this one. I introduced this 29 years ago. So you can see it's taken a while for it to get along, but it is here.

We conform personal income estimated tax laws with federal law to simplify and reduce the number of taxpayers required to make estimated tax payments, and we create an earned income tax credit to encourage the low wage earners to continue in private sector jobs

rather than seek social services support. The credit would be set at 5 percent of the federal credit for 1994 and increase to 10 percent in 1995. I would add that certainly makes a great deal of sense, and I think we find some public officials in other areas of government that are supporting that suggestion.

We would require the state to pay interest on income tax refunds after 45 days of the due date effective immediately. I would say that maybe we can't do it on the exact day, but I would hope they would get the message here that they would get back to the people the money that is theirs.

And we would reduce corporate filing fees from $50 to $9 as well as reduce and eliminate certain other fees to improve business competitiveness.

I think that gives us a flavor of the bill, Mr. President. I do think, again, that there are many, many people on this side of the aisle, and, yes, probably on all sides, that have had a hand in this legislation, but I

commend the Majority Leader and all of those who have been pressing and emphasizing that we simply have to take some sensible steps.

And I suggest, Mr. President, that this is a sensible step.

ACTING PRESIDENT FARLEY: Senator Bruno.

We have a list, Senator Galiber. Do you wish to get on it?

SENATOR BRUNO: Mr. President. Am I up?

SENATOR GALIBER: Just a minute. You have a list?

ACTING PRESIDENT FARLEY: Senator Galiber.

SENATOR GALIBER: I just thought perhaps -- you'll have to excuse me. I'm relatively new in this seat, and I just thought perhaps it was protocol or practice or usage.

ACTING PRESIDENT FARLEY: Senator Bruno, do you wish to yield to Senator Galiber who is ranking on Finance?

SENATOR BRUNO: Yes, Mr.

President. Of course.

SENATOR GALIBER: Don't hesitate so long.

ACTING PRESIDENT FARLEY: To the new guy on the block, he'll yield.

SENATOR GALIBER: Thank you, Mr. President, and thank you, Senator Bruno.

Mr. President, this piece of legislation, which was given to us maybe a half-hour or so ago, represents a thought that we have also, here on the Majority side, and Senator Stafford, you mentioned keeping our sense of humor would be a fine thing except that we're talking about something very serious here.

For anyone within the sound of my voice to suggest that we do not recognize on this side of the aisle that the Mid-Hudson IBM has lost out in that particular area or to consider that California has lost over some 600,000 jobs over a period of time, for us to suggest that this state is in bad shape, we recognize that. But there comes a time in

government when we call it play acting, play acting. Another word for it is hypocrisy. This piece of legislation given to us doesn't take into consideration some other spending.

Senator Stafford, we have looked over a number of bills that the Republicans have in terms of cutting taxes in this state, and the amount is humongous; and if we were to come anywhere close to dealing with this piece of legislation in the real world, what would we do about the other localities and the other spending habits that we have?

The Governor has taken a very moderate position. The Governor has said to us, yes, he recognizes that the state is in bad shape, that we have for the first time in a long while a bit of increased surplus, if you will; and everybody has gotten on the bandwagon on how to deal and spend this surplus.

The Governor said it was over 200 million, originally. Arguments started from the very beginning, "No, it's really 500 million," and the Governor explained that a certain amount

of it went in to pay a fund -- a responsible act on the part of the Governor -- pay a welfare, social services' Medicaid fund early; put into a contingency fund a certain amount of money. Responsible acting on the part of Governor, fully recognizing that this amount of money is going to grow, and it has grown to a degree.

The Governor was interested in the same tax cuts that -- most of them, anyway -- that Senator Stafford had mentioned. He mentioned the corporate tax was put into existence some years ago to be temporary, and those of us who know about "temporary" recognize that there is nothing more permanent than a temporary commission or a temporary tax.

The Governor, in his wisdom, has said, We have to make some changes because the business climate in New York State is horrible and our bond rating is horrible, and we're going to question what this will ultimately do to our bond rating in the final analysis. So, we have to go slow; we have to do it the right way; we have to stop abusing the petroleum tax people.

So, what he has suggested is simply this. He said, Let's take the corporate tax, and the responsible way. Let's cut it down to 12.35. He knew fair well that automatically by operation of law that as of January of 1994 that it's 10 percent already.

But it's easy to grandstand, and that's what is happening here today. It's a grandstand. It's an act. He had the audacity -- I would not say "audacity." I withdraw that -- inadvertently, because I cannot imagine my colleagues with its leadership on that side of the aisle taking this kind of package during the Jewish holiday, with our Speaker being extremely Orthodox not being able to participate in the negotiations. Made a mistake, and I'd like to categorize it as that. Made a big mistake.

Fact of the matter is that when we get to the net operation loss, yes, we didn't treat them fairly as they were going along, the security people. We're going to make a change, but we can't take it back. It's too costly to take it back. Might cost us $60 million if we

take it back. We're going to do it and go forward. Responsible suggestion? You bet it is.

The Governor has also suggested, on the double weighting, they would have it, not only the personnel, not only the property but the sales on out-of-state business, to double weight that, multiply it before, and it would reduce the tax liability. The Governor says, No, there is another way to do it.

Right down the line and we get to the petroleum tax people. Senator Stafford, I agree with you. We have done these fellows very horrible, horrible acts. I just mentioned the other day to them that here we are, one year - I think it was, 1991 -- and I will stop at that because I'm getting into a debate on the bill which is ludicrous.

We shouldn't even be trying to be justifying debating. It's just a grandstand act on the part of your side of the aisle to bring it to the attention of the public, but the public sees through these kinds of acts which

have no substance to it.

But just on the question of the petroleum tax, one year our Governor -- I think it was 1990, '91 -- acting in good faith, acting responsible as he is this year, proposed no cuts, no tax increases on the petroleum people. By the time we finished negotiating, after the doors were closed, so to speak, but not quite, there was a crack there, they multiplied by five times as much, I believe, when they thought everything was comfortable and safe.

And how did it happen? I will tell you how it happened. It happened as it usually happens here, when we get close to the end of negotiations, which we hope would be today or tomorrow. All of a sudden, we find out what about education? Can't we add a little more to education? Can't we add a little more to localities? "Shouldn't we be talking perhaps about revenue sharing?" someone suggests. A revenue sharing formula that shouldn't be at 8 is down to 1.6, was a billion-point... now to $498 million. Shouldn't we talk about that

since we do have a slight surplus? And the answer is probably yes, but we're not.

This bill, as proposed, makes no allowances for the 70 or more bills that your side of the aisle has in terms of taxes. 70-some-odd bills. We will offer, on this side, a number of amendments to draw to the attention of how ludicrous this procedure is and how careful it was planned in a political year.

Let's be realistic. You are hoping that out of this debate that some newspaper reporter will be sucked into this kind of proceedings and say, "Look at the heroes on the other side of the aisle. They are primarily interested in cutting corporate taxes."

Are we in favor of it? Yes, we're in favor of it, but moderately. The report card is certainly not out yet on what has happened in Jersey, that a governor cut taxes, made a campaign promise. We still don't know what the end result of that is going to be, but we're starting to feel and hear some flack along those lines.

So, Senator, we're in favor of a lot of things that you have suggested but in the real world, not fighting those windmills that we make reference to from time to time.

Senator, will you yield for a couple of questions?

ACTING PRESIDENT FARLEY: Senator Stafford, would you yield for a question from Senator Galiber?

SENATOR STAFFORD: Yes.

SENATOR GALIBER: If I had time and notice, I would have served you with the questions, very frankly.

SENATOR STAFFORD: Don't bother.

SENATOR GALIBER: Each year as the Legislature debates the Governor's proposed budget as we're doing now, we find additional resources. And, historically, 29 years ago, we have found out that we pass budgets ranking from nine to a billion-point-2 more than the Governor has proposed, and this year the Legislature seems to have come up with a figure of approximately 450-, as I mentioned before.

What are we going to do if we pass this piece of legislation with an accepted 450 million in additional revenue allocated either to tax cuts or additional spending? What sort of relief will we be giving to the counties, cities, towns and the school districts immediately, not long range?

SENATOR STAFFORD: Well, I would just explain that I think you probably have learned a lot since you've been here, and I have, too. I think there are a number of priorities we might have to change. We might change -- maybe they are being changed. We can argue about, "How are we going to do this?"

Senator, if we don't do this, there isn't even going to be a state.

SENATOR GALIBER: Senator, if that be the case, could I get from you or from your side of the aisle, that if this $700 million tax cut that you are talking about which focuses in on one part of our big problem, and that's the corporations, and certainly not the business -- not the people themselves, will we

have a state if we go forward with this? Will we have what you not put in, your side of the aisle, additional monies for education, additional monies to localities, any revenue sharing, any funding to Buffalo, any funding to Yonkers, any funding at all?

SENATOR STAFFORD: Obviously, this wouldn't be introduced if we didn't plan on looking at our necessities, our priorities, what we're going to have to do; but there is no question about it, we have to take this step.

Now, I think that maybe the changes that will be made will not be agreed upon by all, but we can say that we need for this and this and this, I agree. I agree. I have got many, many areas that I say that we're going to have to consider, but we have to - first we've got to make sure that we have a state.

And I go into it with a group of people now that are in business, and they just light into me, and they're friends, but they're just saying, you know, "We can't operate." You

know, we can talk about all this we're going to do, but we're not going to do it if we don't have any business.

SENATOR GALIBER: Fine. That may be very -- I agree. We might not have a - we'll have a business, Senator. We might not have a state. For example, there's been a great deal of talk about our criminal justice system. If we use this $700 million for tax cuts for the business community, what do we do about the criminal justice system? What do we do about our drug problem?

SENATOR STAFFORD: I've got them all.

SENATOR GALIBER: What do we do about education? You can name 20 more, I'm with you. We've got to look at the priorities and decide where we are going to make expenditures.

SENATOR GALIBER: Where did you suspect, Senator -- will you yield for a question? I'm sorry.

Mr. President.

ACTING PRESIDENT FARLEY: Yes,

Senator.

SENATOR GALIBER: Senator yield?

ACTING PRESIDENT FARLEY: Senator Galiber?

Would you yield again? I'm sure he will.

SENATOR GALIBER: Okay. You point out the given that we have X number of dollars. There may be a little more here or there, but certainly not much more than the 700 million that you are talking about. Where are we going to get the money?

SENATOR STAFFORD: Well, I -

SENATOR GALIBER: Let me finish the question, Senator. If this piece of legislation is passed, where will we get the money for education that every year becomes a big factor? Where will he get the money for aid to localities? Where will we get the money for our courts -- not the courts, but for our drug problem, our criminal justice system? Where are we going to find this money if we use it all for the business people?

SENATOR STAFFORD: I'm not one who talks just for the sake of talking; and when I talk, I usually make sure that I analyze what we're going to do, and that's just what we're going to have to do, analyze and find out where we make expenditures and where we reduce them, and we also have to make it so that we have a viable economy in this state.

SENATOR GALIBER: But this bill, if I understand it correctly -- I said it before. This bill came up in the last three or four days. Has any analytic approach been used to ascertain where the money is going to come from for the things that you and I are concerned about that are part of the essential factors in terms of the livelihood of this state other than the business taxes?

SENATOR STAFFORD: If you are asking me where the 700 million is going to come from -

SENATOR GALIBER: No, no, that's not what I'm asking you.

SENATOR STAFFORD: Let me answer.

SENATOR GALIBER: Sure.

SENATOR STAFFORD: You asked the question. What we would do, there is 200 million in the present budget, 230 million from amnesty and 270 from revenue surplus. That comes to 703, and those are areas, Mr. President, where we can point to that this will support what we're doing here today.

SENATOR GALIBER: Senator, I don't personally have any -

Would you yield for another question?

ACTING PRESIDENT FARLEY: Would you yield? I'm sure he will.

SENATOR GALIBER: Senator, it's a lengthy question. Perhaps not too long. We have no doubt in our mind, and yours, also, where this money is going to come from. It's here. We understand that.

But my concern is, and you have not answered the question and you can't answer the question because it hasn't been thought out very carefully, what are you going to do about

all those other costs? Wouldn't it have been better to sort of split the responsibility as the Governor has done? Wouldn't it be better to say, yes, we are at the bottom in terms of rating? And if we pass this, like I said before, maybe our ratings will be worse than they are now.

And we've got to do a little bit of both. We've got to do a little bit for the business people, and we got to think seriously about doing something for income taxes, reducing those, putting something into place as some of the bills that might be coming as some of the amendments might suggest today. That would seem to be almost the American way to do it, where we are splitting the responsibility or sharing the responsibility or sharing the pain, if you will.

But to be a hero in the eyes of the business world -- and rightly so, because we've hurt them for so very long on the basis of doing things -- monies that will go in, indexes, if you will, gross receipts that are indexed,

depending on the war. When it's over, we freeze them in. The Legislature did that. We've abused the business world, and we've put our state in jeopardy as a result.

But we got to do this moderately, Senator. We can not think in terms of the real world, and you're not. This is an one- house bill. You know it as well as I do. Taking $700 million, it sounds good -- motherhood, if you will, apple pie with a piece of American cheese on the side -- that this is the direction to go. Sounds great, but it is not in the real world, and you know it and I know it.

Thank you, Mr. President.

ACTING PRESIDENT FARLEY: Senator Bruno. And then I'm going to go to Senator Gold. I do have a list. Then Senator Daly, DeFrancisco, Goodman.

Senator Goodman, why do you rise?

SENATOR GOODMAN: I wonder if Senator Galiber would be good enough to yield for just a moment.

ACTING PRESIDENT FARLEY: Would

you yield to Senator Goodman, Senator Galiber?

SENATOR GOLD: Point of order. Point of order.

ACTING PRESIDENT FARLEY: Who is asking?

SENATOR GOLD: Point of order.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR GOLD: With all due respect, I appreciate Senator Goodman would like to speak at this time, but Senator Galiber has given up the floor. You've now recognized Senator Bruno.

ACTING PRESIDENT FARLEY: That's true.

SENATOR GOLD: And he has the floor.

ACTING PRESIDENT FARLEY: Senator Bruno was kind enough to yield to Senator Galiber -

SENATOR GOLD: Thank you.

ACTING PRESIDENT FARLEY: -- And I don't know that he cares to yield back.

What's your choice, Senator Bruno?

SENATOR BRUNO: Mr. President. You are very perceptive, and that's why you are up where you are.

ACTING PRESIDENT FARLEY: The only person that can yield to you, Senator Goodman, is Senator Bruno. Do you wish to ask him a question?

SENATOR GOODMAN: I don't have to ask Senator Bruno if he would yield. I see the look in his eye, which suggestions the question would be superfluous.

(Laughter.)

ACTING PRESIDENT FARLEY: Senator Bruno, you have the floor, finally.

SENATOR BRUNO: Thank you.

I want to congratulate Senator Marino for providing the leadership to this house in helping direct us back to economic recovery and job creation in this state. All of us in this chamber have been here over the last several years when we have had deficit after

deficit, billions of dollars worth; and what was our response? We had to raise taxes, and we raised taxes.

And most of those taxes were put in temporarily, four years ago. Well, ladies and gentlemen, we have a surplus this year; and what is the response of some of the people to that surplus? Let's spend it.

Well, those people that talk about spending the surplus are ignoring the fact that New York State has led the country in job loss over the last four years. Forty-two percent of all of the jobs lost in this country have come from New York State. Blame it on, as some people will in a self-serving way, the global economy, the national recession, whatever.

But the fact of the matter is Forbes magazine said it right. We in this state have created our own disaster, our own crisis, by having taxed businesses out of business or into other states. So the time has come for us to do what's right.

Money magazine said it right. We are the highest taxed per capita in the United States, three years in a row. So the message is clear. We must help businesses create jobs in this state. Senator Marino has a plan before us that helps us accomplish that. Senator Stafford has related it extremely well in terms of specific descriptions.

Now, you on that side of the aisle have an opportunity, and I am sure that you are going to take that opportunity to help lead this state back out of this recession into the growth, into job creation that our constituents deserve.

The Governor's response to this fiscal crisis was to submit a budget. In his budget proposal, he recommended tax cuts, total about 210 million. But if you examine the Governor's tax cuts, you will quickly recognize they are not tax cuts. They are tax increases.

They are tax increases in the Governor's budget proposal. Now, that is a fact. Somebody asks why. Senator Mendez.

Well, just take the surcharge loan, the 10 percent surcharge. Present law establishes today that January 1, 1994, the surcharge that we put on at 15 percent goes to 10 percent. Present law says it's 10 percent now, and it disappears next year. The Governor's /AOE proposal in his budget for tax cuts is to take the surcharge back to 15 percent, then cut it to 12-1/2, take it to 10 next year and permanentize it. It is absolutely ridiculous in its concept.

And it's the high taxes that have driven jobs to other states or out of existence. High taxes. People must learn. And this Governor should learn, because there is someone in the White House today that kept saying over and over, "It's the economy, Stupid." Now, that's a message that's going to be heard between now and November over and over and over. It's the economy, stupid. And if people don't recognize that it's the economy, then I think the word applies.

So I'm asking, Mr. President,

that my colleagues in this house recognize that the challenge that's before us is to help lead this state in job creation, turn the economy around so that more people can be off welfare, off unemployment, and earn a living in this state, and it's only going to happen if we recognize that it is spending and taxing that got us where we were and where we are today.

So it's going to be tax cuts giving businesses back the money that they earn so they can put in machinery, equipment, plant and employing people and getting them off unemployment and off of welfare.

So thank you, Mr. President, and I thank my colleagues for their support for this legislation presented us by our leader, Senate Majority Leader Ralph Marino.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR GOLD: Thank you. First, Mr. President, would my distinguished colleague, Senator Bruno, yield to a question?

ACTING PRESIDENT FARLEY: Senator Bruno?

SENATOR BRUNO: Yes, Senator Gold.

SENATOR GOLD: Senator Bruno, in the reports I've seen that criticize New York State for having all the high taxes, it also seems to indicate that the state taxes are not the highest in the nation but that we have become high when you add in the local taxes.

Now, with Senator Larkin's bill just a few moments ago which would have allowed the municipality to bond services with snow removal, we offered an amendment that would take the $60 million legislative slush fund which is earmarked for nothing -- it's just sitting there -- and use it for the municipalities.

Now, Senator, my question: Isn't it better to give the municipalities the money when we can give it to them rather than make them go further into debt and continue taxing their people to raise money for interest payments on bonds?

SENATOR BRUNO: Senator, I think that is a proposal well worth reviewing and considering, yes.

SENATOR GOLD: You voted against it. You voted against it a few minutes ago.

SENATOR BRUNO: I voted against it, Senator, procedurally.

SENATOR GOLD: Senator -- Mr. President. On the bill.

Senator, there is no such thing as "procedurally," when an amendment is on -

ACTING PRESIDENT FARLEY: I'm recognizing you for your -

SENATOR GOLD: I have the floor.

ACTING PRESIDENT FARLEY: You are next on the floor.

SENATOR GOLD: Yes, thanks.

ACTING PRESIDENT FARLEY: All right. Go ahead.

SENATOR GOLD: Mr. President. This wasn't a motion to discharge.

There was an amendment, Senator Bruno, and there is no procedural. Procedural

nonsense. You have the opportunity, Senator Bruno, to give local government money instead of having them go out and borrow, and you turned it down.

You said it's about time we did this, and it's about time we did that. Senator Bruno, who put us in this mess? You did. You did, the majority in this house, who voted in the last five or six years for $5 billion in new taxes. You did it, and every time you did it, you say the Governor made me do it.

I got a deal for you. You give us the majority, we won't make any governor make us do anything. We will do what's right. You people are the spenders. You are coming in here right now with $700 million in suggested cuts, and you know damn well you are at the negotiating table right now trying to eke out as much spending as you can. That is the biggest bunch of intellectual whorism I ever heard of in my life.

But, at any rate, Senator Bruno, I have an amendment. I offer my first

amendment, waive its reading, move its adoption and ask Senator Bruno to explain it.

Senator Bruno, if you want to explain my amendment, it's your bill, Senate 965, which suggests that we give back $50 million to persons 65 years of age or older living on fixed incomes. And why don't you explain, Senator, why we shouldn't have that $50 million going to senior citizens rather than partially some of the money in this tax bill?

ACTING PRESIDENT FARLEY: We have your amendments here at the desk.

SENATOR GOLD: Will Senator yield to a question?

SENATOR BRUNO: Yes.

SENATOR GOLD: Yes, Senator, explain to us. My amendment is your bill, Senate 965, which would give $50 million relief to people 65 years or older. Senator, why shouldn't we go for this amendment right now that you have introduced as a bill? We've got extra money around. What's wrong with out of 700 million helping the senior citizens for $50

million?

SENATOR BRUNO: Are you proposing that as an amendment?

SENATOR GOLD: Yes.

SENATOR BRUNO: Sending that amendment up?

SENATOR GOLD: Yes.

SENATOR BRUNO: Great. I would be very interested when you send it up in debating that. But, Senator, you are asking me a question and let me answer you this way.

We have a surplus of -- you pick a number. Okay? I think the surplus is close to a billion dollars. If we have a billion dollar surplus, the proposal that's on the floor nets out at under a half a billion dollars. That leaves a half a billion dollars to do a lot of very good things, to reduce property taxes in this state, and your proposal is one that ought to be reviewed.

But proposals like yours and like this one ought to be reviewed in the budget process, in the total package. And if we're

going to do a budget this year, well, then we ought to look at it in terms of the surplus, the revenues, prioritizing the spending and spend accordingly.

The point that I was making - and you can cover your numbers any way you want to -- but the fact of the matter, Senator, is that you have to face reality. Either you are for tax cuts and job creation or you are not, as a priority in this state.

Now, you want to dream up $50 million worth here and $75 million worth there, all very well intentioned, putting us on the spot so that we have to vote against some of these well-intended spending programs; but the fact of the matter is, this debate relates to whether or not you support tax cuts in this state to help move this committee forward or not.

So, let's talk about the additional spending and let's confuse the issue by putting in ten or eleven amendments to this bill and see if you can get us all on record

voting against motherhood and parenthood, because it serves a political purpose.

But politics being what they are, I and others like me are going to stay with the program, and the program is you either support taking this surplus and giving it back to the people that it belongs to in this state to help stimulate the economy and create jobs or you are not; and, if you want to spend it, I'll give you $3 billion worth of places to spend it that are all well intentioned and worthwhile, but we don't have the 3 billion. We're dealing in priorities.

I again refer you to Money magazine, Forbes magazine, Inc. magazine. These objective writers who are telling the whole world, "Stay out of New York. Leave New York because government is hostile to you and your businesses." Now, Senator, you are aware of that, I know.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR GOLD: Will Senator Bruno yield to a question?

SENATOR BRUNO: Yes, Senator.

SENATOR GOLD: Senator, you're doing great for me so far. I need a little more help from you.

You said, Senator, that if we've got all this money, we should give it back to the people it belongs to. Now, my amendment recognizes people 65 years of age or older, and $50 million. Don't you think some of the money belongs to them, Senator?

SENATOR BRUNO: Well, why didn't you ask the Governor that question when he submitted his budget? Why didn't you suggest he include that in his budget and recommend it to the people of this state so we could act on it and deliberate over it in the normal process?

SENATOR GOLD: Oh, good. On my amendment, Mr. President.

ACTING PRESIDENT FARLEY: On the amendment, Senator Gold.

SENATOR GOLD: Senator Bruno, you

are the one who printed this bill and spent the taxpayer money to put it in and said this is worth $50 million, should be returned.

You also said a moment ago, Senator Bruno, that this is negotiating process, and there may be a billion dollars. We got to look at the budget all together. We got to take it all as a package, put it out on the table. Senator, you're right.

So, why do we have this silly bill of yours out on the floor? For posturing purposes, for God's sake?

You postured. You put the bill in. And you postured, Senator Bruno, and you gave us this $50 million. And everybody postures. And when you add everybody's posturing together, we all have hunchbacks because you are putting in $80 kabillion worth of cuts.

But, Senator Bruno, this is really very, very easy. You and your party stand up here and say that one thing is for sure. There ought to be $700 million out there

on the table, and business has to be taken care of, and I'm telling you that if you think that business should be taken care of, I think that certainly, Senator Bruno, you should not run out on these elderly people, 65 years or older, who had pinned their hopes on you, Senator Bruno, and find you running out on them for the business community only.

Now, I'm not saying we shouldn't do things for the business community at some point, maybe in the whole budget process, but I don't understand why you, Senator Bruno, have run out on these people. I don't want you to run out on them.

SENATOR DALY: Mr. President.

ACTING PRESIDENT FARLEY: I'm sorry.

SENATOR GOLD: No, Senator Daly just asked me to yield, and I'll be glad to.

ACTING PRESIDENT FARLEY: Senator Daly, why do you rise? To ask -

SENATOR DALY: Yes. Senator just mentioned doing something for the business

community. I'd like to ask him -- he seemed to agree with that, and I'd like to ask him why he thinks we should do something for the business community in New York State?

SENATOR GOLD: On, very simple. I think in the whole budget process, Senator Daly, everybody ought to be involved. And I think in order to make this state work, we have to go to the table thinking about everybody. You got to keep healthy business. You've got to take care of the elderly. You've got to take care of school children, and the one thing we certainly should take care of is the crime problem. That's why I think that business has rights. They have a right to be at the table like everybody else.

SENATOR DALY: Senator, will you yield to one more question?

SENATOR GOLD: My pleasure.

SENATOR DALY: What does he think we should do for business in New York State?

SENATOR GOLD: Oh, Senator, I'm glad you asked me that. That's not a planted

question, is it? Senator, the answer is we should do everything possible for business to create a healthy environment for business in this state, and that that should be one of the key factors that we all keep in mind as we sit at a table and negotiate a budget.

But, Senator Daly, I think we should also keep in mind what Senator Bruno has suggested for the elderly; and not only that, we should keep in mind the suggestions of Senator Leichter and of Senator Galiber and of Senator Jones and of Senator Dollinger and all of the suggestions that people have that will help to make this state a better and better place to live in.

But, Senator, I certainly don't think that the way the budget process should be handled is three people sitting in a room, three men in a room that make mistakes according to what your party says one year so that another party comes in the next year and hollers to correct the mistakes that you make, and the bottom line is, they are your mistakes.

You people are part of this process. In the State of New York, the Republican Party in the Senate has an absolute veto over the budget. An absolute veto. So I don't want to hear that the Governor made you do this and that and the other thing, even though the Democratic Party is the majority party in this state and controls the Governorship right now and the Assembly, you have that veto. At least stand up and take some responsibility for what you have done in the last 20-30 years.

SENATOR DALY: Mr. President.

ACTING PRESIDENT FARLEY: Senator Daly.

SENATOR DALY: Will Senator yield to another question?

SENATOR GOLD: Yes.

SENATOR DALY: I know you commented about three persons sitting in a room negotiating a budget. It seems to me, Senator Gold, the fact that this bill is on the floor today, a major bill which will have a major impact on the budget for open dialogue,

discussion, amendments, whatever, certainly indicates that this is being considered in the proper way.

Now, let me ask you one more question, Senator Gold, if I may continue.

Senator Bruno mentioned the reputation that New York State has gained, supposedly, according to magazines like Forbes and Money and other national publications and local publications, of being hostile to business. New York State is hostile to business. That's the reputation we have, Senator Gold. What do you think we should do about that reputation?

SENATOR GOLD: Well, Senator, I think what we should do is -- see, you say we're here handling this bill in a proper way, and I say that's hogwash, because this bill you know will never become a -- will never become a law. All you are doing is posturing, and you can do the same posturing at the table.

But, Senator, we can clean up our act in many, many ways. I'm not going to go

deeply into it right now, but there are some counties around this state, some of them even on Long Island, that fire municipal employees and then hire the same people back as consultants at two and a half times the pay, increasing their tax base to their people. A lot of things we can do, Senator, and a lot of it means cleaning up our local governments -- cleaning up our local governments and the terrible politics that goes on in some of those areas.

But when you talk about businesses, Senator, I'm not going to tell you I'm against tax relief for businesses, because I'm for tax relief for businesses. But there are other things in the budget, and anybody who gets up and says on the floor of this Senate today that no matter what else happens in the budget process the only thing that's important to me is business tax relief, I'm telling you that that's not what you say when you go to your farm meetings, and it's not what you say in the senior citizens centers, and it's not what you say at the volunteer fire departments, and

it's not what you say all over the place, that your main priority is the businesses. You say it here because you hope that the lobbyists for the businesses hear that and get some kind of a signal and that that will help you in campaigns. But you wouldn't dare tell that to your constituents because they couldn't understand it.

SENATOR DALY: Mr. President. Would the Senator yield for another question?

ACTING PRESIDENT FARLEY: Would you yield for another question?

SENATOR GOLD: Yes.

SENATOR DALY: Senator, don't you believe that the members of this house, and specifically the Majority, have the right to present before the people of the state this legislation which clearly, clearly indicates that their or its highest priority is the improvement of the business climate in this state, to remove from New York State that reputation of being hostile to business?

And I'm delighted, Senator -- I'm

delighted to hear that you think we should do something for business. I'm still trying to find out what you -- what that is. I think we'll find out by your vote later today.

But, Senator, you mentioned the local government before. How best can the state help local government in their financial situation? Wouldn't you agree, Senator, that we could best help local government by improving the business climate so that there are more jobs within our municipality, there is an expanded tax base, and that both the state and local government will gain from legislation like this?

SENATOR GOLD: Mr. President. In answer to Senator Daly's questions, I think that helping increase the tax base, helping business, is terrific for local government. No doubt about it.

I think you can't explain to the people in Niagara Falls or the people in your district, Senator, why you thought it was a terrible idea to give local government the $60

million that our leaders are holding in their cash drawer some place to take care of snow removal rather than bond it, something they're going to have to borrow the money, pay it back in interest rates.

So the answer is that your party is hypocritical. I don't need lectures from -

SENATOR DALY: Mr. President.

SENATOR GOLD: No, let me finish. Let me finish. I don't need lectures from Republicans on how to take care of local government because you are hypocrits in the way that you do the budgeting.

Now, the fact of the matter is that if we had nothing else, Senator Daly, if we had nothing else, no surplus, I would still vote to give back the $60 million that you are holding in a cash drawer to the local government or to the taxpayers.

Now, without getting over that threshold issue, how can anybody in the state of New York believe a Republican when they talk about fiscal responsibility and taking care of

the localities? I mean its -

ACTING PRESIDENT FARLEY: Senator Daly, why do you rise?

SENATOR DALY: I want Senator to yield again.

SENATOR GOLD: I will be glad to yield. Go ahead.

SENATOR DALY: I could not help but note your comments about not accepting criticisms from Republicans as concerns local government, municipalities, nor can I accept criticism or should I accept criticisms from Democrats on how to improve the business climate in this state. We have a reputation, Senator, do we not, of being anti-business -

SENATOR GOLD: Republicans? Yes.

SENATOR DALY: -- that many people, particularly on your side of the aisle, Mr. Gold -- Senator Gold, believe that New York State does business a favor by letting it do business in New York State.

And certainly long-term, Mr. President, is that type of thinking -- or

Senator Gold -

SENATOR GOLD: Is this a question?

SENATOR DALY: -- that type of thinking -- it will end up a question, Senator. That type of thinking can't help but lead to the destruction of New York State and all the generous programs that New York State has, does it not?

SENATOR GOLD: All right. Mr. President. I will answer that question.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR GOLD: But I won't yield to any others because we made our points.

Senator Daly, I say to myself - when I got into government, I said, you know, why am I going into government? Who needs protection? And there are a lot of people in this state that need protection and people who need help and can't help themselves.

And I always said to myself, you know, we certainly should be supportive of

business; but do the icons of business need my help on a day-to-day basis to understand at least what the process is? And do you know the funny part about it, I guess they do.

If the business community can be fooled into thinking that the Republican party does anything for them, then I guess they really do need some of my help.

What have you done for them? You have passed all of these charges and surtaxes and fees over the last few years. You've done it, and you mean to tell me these very intelligent people from the business community don't understand that this bill on the floor today is nothing but a publicity stunt? I can't believe it, Senator Daly.

Are they glad that people are talking about their interest? Of course. The first person they should be glad about is the Governor of this state. The Governor of this state has had an interest in making this state number 1 all along, and every time it seems that we're going in the right direction, who does he

trip over but some Republican with a press release.

Now, very simply, Mr. President, I have offered an amendment. The amendment is basically the idea of Senator Bruno that, what the heck, if we're taking care of people in this state, business is important, certainly the elderly are important, and this is an exemption dealing with their clothing, wearing apparel, purchased to help make their lives a little easier.

So I would at this point, Mr. President, move this first amendment that I have offered.

ACTING PRESIDENT FARLEY: All in favor of the amendment, say -

SENATOR GOLD: No, no, Mr. President. I think Senator Dollinger wants to speak, and then we can take a roll call, Mr. President.

ACTING PRESIDENT FARLEY: Now, wait a second. This is your amendment. I got a list of about nine people that want to speak.

SENATOR GOLD: If they want to speak on my amendment, they are welcome to. Senator Dollinger has indicated he wants to speak on my amendment. If anyone else wants to and you have a list, that's fine.

ACTING PRESIDENT FARLEY: Please may it a brief comment. We've got a lot of people that want to speak and it started at twenty after 4:00.

Go ahead. Senator Dollinger.

SENATOR DOLLINGER: Aisle be very brief, Mr. President. I support the amendment. I think Senator Bruno had the right idea when he put that bill in. And as I read what Senator Gold is simply saying is we have a loaf here that we're prepared to give entirely to the business community.

I agree with Senator Gold. I agree with my colleagues on the other side of the aisle. A significant portion of that loaf ought to go to business, but can't we find a tiny crumb to give to the senior citizens? Can't we give senior citizens a $50 million tax

cut so that they can go out and buy goods and services that will drive the economic engine of the state?

It seems to me if you want to create economic prosperity, one of the ways to do it is to give it back to senior citizens, let them exercise their prerogatives on how they want to spend their money, and we can drive the economic engine of this state. We can do it any one of a number of ways. We don't have to give the whole loaf to the business community.

I want to give them a significant portion of it, but one little tiny crumb, a $50 million crumb for senior citizens? I can't believe my colleagues on the other side of the aisle who have done so many good things for senior citizens over the years can't find it in their hearts to give them that little crumb.

ACTING PRESIDENT FARLEY: On the amendment. All in favor, say aye.

SENATOR GOLD: Roll call, Mr. President.

ACTING PRESIDENT FARLEY: Party

vote?

SENATOR GOLD: It can be fast or slow, I don't care, but we need a roll call.

ACTING PRESIDENT FARLEY: Do you want a party vote?

SENATOR PRESENT: Party vote in the negative.

ACTING PRESIDENT FARLEY: Party vote in the negative.

SENATOR GOLD: Party vote in the affirmative.

ACTING PRESIDENT FARLEY: Call the roll on a party vote.

(The Secretary called the roll.)

THE SECRETARY: Ayes 23. Nays 33. Party vote.

ACTING PRESIDENT FARLEY: The amendment fails.

SENATOR GOLD: Mr. President. I have another amendment at the desk.

ACTING PRESIDENT FARLEY: We don't have that amendment as yet.

SENATOR GOLD: I do. This

amendment -

ACTING PRESIDENT FARLEY: We don't have it.

SENATOR GOLD: You don't have amendments at the desk?

ACTING PRESIDENT FARLEY: We have amendments -

SENATOR GOLD: Pick one.

ACTING PRESIDENT FARLEY: -- but not from you.

SENATOR GOLD: Well, do you have an amendment that is similar to Senator LaValle's bill 5431?

ACTING PRESIDENT FARLEY: We have one.

SENATOR GOLD: Thank you.

Mr. President. At this point, I would like to move that amendment and waive its reading and have an opportunity to explain it.

ACTING PRESIDENT FARLEY: You have the floor. Go ahead.

SENATOR GOLD: Thank you very much.

Mr. President. This bill is fashioned after Senator LaValle's bill; and basically what it would do is increase the income limitations and tax credit for real property tax circuit breaker credit and provide circuit breaker legislation to include disabled citizens to persons 65 years of age. It would increase the household gross income from 36,000, increase property value limitations to $175,000 and increase the monthly rent limitation to $900,000. It would double the credit limitation presently allowed.

Mr. President. This bill -- this amendment, which mirrors Senator LaValle's bill, is very important and it seems to me, Senator - Mr. President, that if we, in fact, have the opportunity of giving some relief in this state that business relief is urgently needed, but there are other reliefs as urgently needed. And if we are sitting at a table, we obviously all could take a look at the expenditures and take a look at the monies we need and then give tax breaks.

But if we're posturing which is what we're doing today, well, this bill ought to be part of the posturing. It ought to be out there on the table, and I would urge if Senator LaValle is within my hearing right now that he may perhaps want to come forward and give you some really great arguments why he put this bill in and why this tax relief is necessary.

But I would move this amendment.

ACTING PRESIDENT FARLEY: On the amendment.

SENATOR GOLD: Roll call, Mr. President.

ACTING PRESIDENT FARLEY: Party vote, Senator Present?

SENATOR PRESENT: Party vote in the negative.

ACTING PRESIDENT FARLEY: Party vote in the negative.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: Call the roll on a party vote.

(Secretary called the roll.)

THE SECRETARY: Ayes 23. Nays 33. Party vote.

ACTING PRESIDENT FARLEY: The amendment is not agreed to.

SENATOR GOLD: All right. I have another one, Mr. President. Maybe I will have better luck with this. This amendment mirrors Senator Hannon's bill.

ACTING PRESIDENT FARLEY: The amendment is almost with us here. We got it?

Okay. Yes, we have it.

SENATOR GOLD: Good. Senator Hannon's bill 6908. And according to Senator Hannon, this legislation which has no fiscal implications in '94, but in '95 would be worth 145 million would establish a pro-work, pro family tax policy by implementing a refundable personal income tax credit for low and middle income wage earners with children.

The bill would amend the Tax Law to establish a state earned income tax credit. This refundable credit would be equal to 10 percent of the qualifying family's federal

earned income tax credit beginning with the tax year 1994; derives a 20 percent of qualifying family federal earned income tax credit in the year 1995.

Now, certainly -- certainly if we're sitting here today and posturing, posturing, that there ought to be out on the table $700 million worth of business credits, I think we can also posture that we ought to have out on the table 145 million -- not even in this year but next year, but we have to enact it this year -- for a program defined by my distinguished colleague, Senator LaValle, as pro-work, pro-family tax policy.

Now, I have heard a lot from the other side of the aisle in terms of encouraging people to get out there and to do work and to have good families. Your suggestion is fingerprinting. Our suggestion is encouraging people and giving them some financial help.

And while it is very important to talk about creating jobs, it's also important to help those people who are out there every day

doing what is right.

So we want to suggest that out there on the table along with your suggestions should be Senator LaValle's suggestion. Obviously, by Senator LaValle introducing the bill doesn't mean too much, because the position you are taking is unless you pass one-house bills, you are not actually out there and doing the posturing.

So we want to help Senator LaValle posture, and I offer this amendment.

SENATOR DOLLINGER: Mr. President. Will Senator Gold yield for a question?

SENATOR GOLD: Yes.

ACTING PRESIDENT FARLEY: Senator Gold.

SENATOR DOLLINGER: As I understand Senator Hannon's bill and the bill that you are now introducing as an amendment, this would be a middle class tax cut, is that correct, Senator Gold? This would go to largely middle income and lower middle income tax

families?

SENATOR GOLD: Yes.

SENATOR DOLLINGER: And with that $140 million, they would go out and buy goods and services in this state and generate economic activities through those purses; isn't that correct?

SENATOR GOLD: Yes.

SENATOR DOLLINGER: And so the net effect of that is it would generate jobs and return that money to the private economy in the form of leaving the decision making not in the hands of people that own corporations or beneficial enough to own corporations or shareholders in corporation, which we clearly want to help and we would help through other means, but it would return it to people who may not have interest in corporations but are just middle class taxpayers trying to get by. Is that correct, Senator?

SENATOR GOLD: I think it's a wonderful statement.

SENATOR DOLLINGER: I have

nothing further. It sounds like a great amendment to me, to do the one thing we need to do, a middle class tax cut.

SENATOR GOLD: I move the amendment, Mr. President.

ACTING PRESIDENT FARLEY: On the amendment. Party vote. Call the roll on a party vote.

SENATOR PRESENT: Party vote in the negative.

(Secretary called the roll.)

THE SECRETARY: Ayes 23. Nays 33. Party vote.

SENATOR GOLD: Mr. President. I have another amendment.

ACTING PRESIDENT FARLEY: The motion is defeated.

SENATOR GOLD: Thank you. I have another amendment, which is similar to a fine idea introduced by Senator Johnson in his bill 1110, and I would yield to Senator Dollinger to explain the amendment.

ACTING PRESIDENT FARLEY: Senator

Dollinger.

SENATOR DOLLINGER: Mr. President. This is an act or an amendment to amend the Tax Law in relation to providing an exemption to an individual taxpayer who takes care of a parent or grandparents 62 years of age or older.

And I'll just quote from Senator John sons justification of this bill. It says -- and I agree with it -- one of the most pressing concerns facing many elderly individuals today is the lack of affordable available housing. By providing an additional personal income tax exemption, this legislation encourages taxpayers to care for elderly parents or grandparents in their homes.

Not only would this foster the growth of the extended family, which I think we all agree with, it would also provide these individuals with greater disposable income which may, therefore, be used to cover costly personal expenses such as health care, indirectly, by encouraging the three-generation family.

Each family members sense of physical, social and emotional well being is being enhanced. The state Department of taxation and finance has estimated that providing additional exemption would result in the reduction in New York State's personal income tax revenue of approximately $15 million.

It seems to me, Mr. President, that this is exactly the kind of amendment we should be entertaining. This will provide for people who are taking care of elderly parents an opportunity to bond with their parents, have their children benefit from that bonding. It will encourage the reduction in the amount of money that we might have to spend for nursing homes or alternative health care for elderly people.

The net cost is $15 million. In the $700 million picture that's been painted by the Majority, it seems to me it's an easy process to find $15 million to contribute and promote family values, to contribute to the

families that are taking care of elderly people in this state.

Where will that $15 million go? My guess is it will be returned to the private economy, used to buy goods and services to drive the economic engine of New York State. One of the things I know that the Majority believes in is let's return the tax dollars to the people. They are better at making the decision about where they spend their money.

Take a little tiny crumb of this loaf of tax cuts, a little tiny, tiny crumb, and give it to the people who are supporting their elderly parents.

Mr. President. I move the amendment.

ACTING PRESIDENT FARLEY: On the amendment. Senator Present, do you wish a party vote?

SENATOR PRESENT: Party vote in the negative.

SENATOR DOLLINGER: I ask for a roll call, Mr. President.

SENATOR GOLD: Party vote.

ACTING PRESIDENT FARLEY: Party vote. Call the roll.

(Secretary called the roll.)

THE SECRETARY: Ayes 23. Nays 33. Party vote.

ACTING PRESIDENT FARLEY: The amendment is not agreed to.

SENATOR GOLD: Mr. President, if I may. I have another amendment. I don't know whether Senator Pataki is in the area, but if he is, I would ask him to yield. If he's not, we can just continue.

ACTING PRESIDENT FARLEY: He is not in the area.

SENATOR GOLD: But this amendment is Senate Bill 5450, as introduced by Senator Pataki.

ACTING PRESIDENT FARLEY: Just a second, Senator Gold. Would you give us the number again.

SENATOR GOLD: Yes, Senate 5450.

ACTING PRESIDENT FARLEY: We have

the amendments here. We don't have the bill, but go ahead.

SENATOR GOLD: Okay. Thank you. Mr. President. I don't see Senator Pataki. I will explain it. This bill, according to Senator Pataki, would amend the procedures used to direct the distribution of lottery proceeds to help achieve the original intent of the 1976 statute, school tax relief supplemental education aid.

And if this amendment were to be passed, Mr. President, we would have the opportunity of saving the localities and the school districts $200 million a year.

Now, if there is one thing I hear in going around the campaign trails, it's how much need there is to help the local school districts and help the localities with their school budgets and to help the tax base of the localities. Here's a bill 200 million.

Now, I don't know why the Republican party in this house has apparently overlooked the fine work of Senator Pataki in

this regard and didn't even want to put it out on the table, didn't even want to put it out on the table. I mean I certainly feel that if we're talking about putting out on the table taxing ideas or untaxing ideas or ideas for giving back to the people, in one way or another, tax relief that certainly I can't believe the Republican party with all of its big talk wants to ignore the school districts.

Now, if we have $700 million - and that's your number -- I can't believe that the only thing you can think about is giving it to all one place. Now, if we can throw Senator Pataki's idea in there and your numbers are right, you still have a half a billion dollars for business, but you have taken $200 million and helped your school districts. Now, it seems to me that that starts to look like some kind of a balance, some kind of a package.

But, you know, it's out there on the table. Your party at this point can support the concept of Senator Pataki's bill, at least having it out on the table, or you can again

reject it and let the people understand how single-minded you really are.

ACTING PRESIDENT FARLEY: Senator Waldon.

SENATOR WALDON: Thank you, Mr. President. Would Senator Gold yield to a question or two?

SENATOR GOLD: Yes, of course, sir.

SENATOR WALDON: Senator, have you heard as I have heard that the business community is greatly concerned about the development of an adequate work force in the State of New York?

SENATOR GOLD: Yes, sir.

SENATOR WALDON: Have you heard as I have also heard, Senator, that in order to achieve an adequate work force that our students in the secondary school system and higher education must become as competitive as students, for example, in Canada, in Ireland, Japan?

SENATOR GOLD: Oh, absolutely,

Senator.

SENATOR WALDON: In that regard, have you also heard, as I have heard -- if I may, Mr. President?

-- as I have heard that the business community in this state wants to do as much as it can to support the improvements of the educational opportunities and, in fact, the education system and education of our young people to develop that adequate work force?

SENATOR GOLD: I would certainly hope so, Senator.

SENATOR WALDON: Mr. President. If I may continue.

ACTING PRESIDENT FARLEY: Do you have another question for Senator Gold?

SENATOR WALDON: One more.

ACTING PRESIDENT FARLEY: One more question for you.

SENATOR WALDON: Considering what I have said to this moment, Senator Gold, do you think that this $200 million might go a long way towards improving the education, improving the

educational system and, in fact, turning out a student who can adequately face the challenges of the 21st Century and do what the business community needs done in order to have an adequate work force in the State of New York?

SENATOR GOLD: I think you are very perceptive, Senator. I think that's really very, very well said.

SENATOR WALDON: Thank you, Mr. President.

ACTING PRESIDENT FARLEY: Senator Stavisky, do you have a question for Senator Gold?

SENATOR STAVISKY: Yes. Senator Gold, am I correct that your amendment has improved upon the Pataki bill by making provision for the large cities?

SENATOR GOLD: Senator, the answer is that if I had my druthers, I certainly would include the large cities in there, Senator, but my feeling was I wanted to open up this conversation, and I didn't want to confuse it, so the amendment that we actually put in,

Senator Stavisky, tracks the Pataki bill.

SENATOR STAVISKY: Thank you very much.

ACTING PRESIDENT FARLEY: Senator DeFrancisco.

SENATOR DeFRANCISCO: Mr. President. Would Senator Gold yield to a question?

ACTING PRESIDENT FARLEY: Would you yield to a question from Senator DeFrancisco?

SENATOR GOLD: I would be glad to yield to the gentleman from Syracuse.

SENATOR DeFRANCISCO: Senator, you accused the Republican Majority of posturing in preparing this bill and putting it to the floor for a vote. Would you call what's been going on right now posturing, at all, politically?

SENATOR GOLD: Oh, Senator, of course we're posturing. We have to put out on the -- since you created this charade, we have to at least have the people understand that the

Democratic Party in this house sees the problems of business; but in addition to the problems of business, the problems of other people and that is our posture.

SENATOR DeFRANCISCO: And you feel strongly that these bills that you are offering as amendments are bills that are worthy of passage in this house and worthy of becoming part of the budget?

SENATOR GOLD: Senator, I think that the most worthy proposals -- the most worthy proposals are some of those that have been suggested by Senators Leichter and Connor and Stavisky and Waldon and Galiber and Dollinger and Onorato, et cetera, et cetera.

But the only way, Senator, that we can show the world the hypocrisy of your party is to show that when push comes to shove you don't even give any respect to the suggestions of your own party members that go past the issue of the business community.

So, Senator, if you want to ask what my final posturing position would be, I

would put out on the table all of the measures that have been offered that make sense issued by Senators like Senator Hoffmann and Espada and Smith, but those you would vote down, and you would still be talking about only the business community.

What we're doing today is showing the business community how hypocritical these bills are, and we're showing the general community at large how hypocritical your party is by your failure to at least put out some acknowledgment that we have people over 65, some acknowledgment that you people are causing the taxing of the local school districts, and that is what we're doing today, Senator.

SENATOR DeFRANCISCO: Mr. President.

ACTING PRESIDENT FARLEY: Senator DeFrancisco.

SENATOR DeFRANCISCO: May I reask the question and get an answer to it? Does it mean by making these amendments that you support each of these bills that you are proposing as

amendments?

SENATOR GOLD: It says, Senator, that I support the concept of having everything on the table. All right. I happen to stand for the proposition that when you do a budget you sit down and you look at a total package, which is tax relief, which is spending and which is raising revenues.

What I'm saying in my posturing today is that if other members of your party have put forth ideas it ought to be on the table, just like our ideas should be on the table.

SENATOR DeFRANCISCO: All right. Another question, please.

ACTING PRESIDENT FARLEY: Senator DeFrancisco.

SENATOR DeFRANCISCO: So if these items that you are proposing and you are all speaking of in such glorious terms, if they were put on the table, would you personally vote for each one of these?

SENATOR GOLD: If they were put

on the table, I would do exactly what Senator Bruno said I should do.

Senator Bruno, if you want it read back to you, said today that when you make a budget you look at everything and then you make your decisions. Now, Senator, I'm telling you that if you want to give me the authority, and I will treat it with respect, to sit at that table for Ralph Marino, I will look at the suggestions we're voting on day, all of them, together with the expenditures, and I will make a decision.

SENATOR DeFRANCISCO: Mr. President. May I ask another question? Will you yield to another question?

ACTING PRESIDENT FARLEY: I'm sure he will.

SENATOR GOLD: Pleasure.

SENATOR DeFRANCISCO: Since you are not going to answer the last one, maybe I'll try another one.

SENATOR GOLD: I thought it was a good answer.

SENATOR DeFRANCISCO: Each of the bills that you are proposing as amendments - there are ten of them, are there not?

SENATOR GOLD: Not.

SENATOR DeFRANCISCO: Okay. How many are there, in one word or less?

SENATOR GOLD: Six.

SENATOR DeFRANCISCO: Six. And is it fair to say that each of those six bills deal with cutting the taxes in various ways?

SENATOR GOLD: Yes.

SENATOR DeFRANCISCO: And is it also fair to say that none of those bills are Democrat bills sponsored by any of your party? Is that fair to say?

SENATOR GOLD: No, not necessarily.

SENATOR DeFRANCISCO: It's not?

SENATOR GOLD: No.

SENATOR DeFRANCISCO: Would you tell me which one of those bills is sponsored by any member of your Minority party?

SENATOR GOLD: Number 1, Senator,

I've offered these amendments so I've sponsored them. My party has voted to put them out on the table. So the answer is, Senator, as of today, my party has voted to put them on the table.

SENATOR DeFRANCISCO: Prior to today, Senator Gold, did you express any interest to the Majority party to support or pursue or move any of these bills to the floor prior to today?

SENATOR GOLD: I can state for the record and under oath, Senator, that every suggestion that Senator Marino has asked me for I have given him.

SENATOR DeFRANCISCO: Well, Mr. President, having received no answers to my questions, I have none other.

ACTING PRESIDENT FARLEY: Senator Gold, you have the floor.

SENATOR ONORATO: Mr. President.

ACTING PRESIDENT FARLEY: Oh, Senator Onorato.

SENATOR ONORATO: Mr. President. Will Senator Gold yield to a question, please?

Senator Gold, will you yield to a question, please?

ACTING PRESIDENT FARLEY: Would you yield to Senator Onorato?

SENATOR GOLD: I always wind up yielding to Senator Onorato.

SENATOR ONORATO: Senator Nozzolio raised a very interesting question. I'd like to perhaps rephrase it. If the amendments that are being proposed today were part and parcel of the $700 million proposals that are set forth as a tax reduction incorporated into that $700 million, do you think we would get enough support on this side of the aisle to support such reductions?

SENATOR GOLD: The answer is to that question, Senator Onorato, that certainly if in the budget process the spending requirements, the spending requirements as demanded by Republicans and Democrats alike was such that it then left enough money to be able to give a $700 million tax package, the suggestions that we are throwing out there

together with some we are not going to throw out here because we'd be here until midnight, sponsored by Democrats, and some of those in the bill would all be part of what could be considered and might come out to be a very fair tax reduction package.

SENATOR DOLLINGER: Mr. President. Will Senator Gold yield to one more question?

ACTING PRESIDENT FARLEY: Will you yield for one more question to Senator Dollinger?

SENATOR GOLD: Piece of cake.

SENATOR DOLLINGER: Senator Gold, as I understand this amendment, this amendment would allow an income tax credit for those who pay property taxes for schools. Isn't that correct?

SENATOR GOLD: Yes.

SENATOR DOLLINGER: And that would be largely a middle class tax cut, individuals who are middle class taxpayers who are paying school taxes would be the

beneficiaries of that?

SENATOR GOLD: No doubt about it, Senator.

SENATOR DOLLINGER: And the final question is, is it fair to characterize - again, Mr. President, if Senator Gold will yield.

Is it fair to characterize this as a form of tax and mandate relief because what we'd be doing is reducing to some extent the burden we impose upon people who pay school taxes? And isn't it fair to say that this is the way to accomplish both tax relief and mandate relief at the same time, two of the things that the Majority has been talking about throughout the session and we on this side, when asked by the Majority, have been talking about in this session?

SENATOR GOLD: Senator, the answer is that the hit on New York State for taxes comes to a large extent because of what happens at the local level, and this would, in fact, give us an opportunity to get some relief

at the local level, which would, in fact, lower our standing on that terrible hit parade of taxing states, make New York State look better, make you say look more attractive even to the business community. So that if you incorporated something in there that helped the local tax base, who knows, we might have some ultimate advantage.

ACTING PRESIDENT FARLEY: On Senator Gold's amendment. Party vote?

SENATOR GOLD: Roll call.

SENATOR PRESENT: Party vote in the negative.

ACTING PRESIDENT FARLEY: Call the roll on a party vote.

SENATOR GOLD: With exceptions.

(Secretary called the roll.)

ACTING PRESIDENT FARLEY: There's several exceptions here.

SENATOR STAVISKY: Mr. President. I rise to explain my vote.

ACTING PRESIDENT FARLEY: Senator Stavisky rises to explain his exception.

SENATOR STAVISKY: If the legislation that you're offering were drafted in such a manner that the local impact tax relief would have been extended to the five fiscally dependent districts, I most assuredly would have voted for this legislation. Failing to see that in the bill, I must reluctantly take exception to the party vote.

ACTING PRESIDENT FARLEY: Raise your hand, exceptions.

(The Secretary called the roll.)

THE SECRETARY: Ayes 20, nays 37, party vote with exceptions.

ACTING PRESIDENT FARLEY: The amendment is not agreed to.

SENATOR GOLD: Thank you, Mr. President.

I have another amendment at the desk, and I'd like to yield to Senator Dollinger to explain it.

SENATOR DOLLINGER: Mr. President, this is a bill which increases -- an amendment which increases the standard deduction

for income tax purposes.

ACTING PRESIDENT FARLEY: Do we have that there? Just a second, Senator Dollinger. We have it. Go ahead.

SENATOR DOLLINGER: Under this amendment, the current standard deduction for a couple filing jointly for -- would jump from $9500 to $10,800 and for someone filing for single income tax return, would jump from $6,000 to $6600.

It seems to me this is just the kind of middle tax -- middle class income tax cut that we need in this state, that we talk about in this state, we have a clear opportunity to do, to put more money in the hands of middle income taxpayers, and it will be beneficial to them by driving the economic engine.

I think that, as we look at the overall $700 loaf, I don't think it's too much to ask that you find a crumb for middle class taxpayers. This is one way to do it. It's a bill I agree with. I think it's a good idea.

Let's find that little crumb for

the middle class taxpayer by increasing the standard deduction. A very simple way to do it; puts money back in people's pockets where it belongs. We took it away from them in times when times were tough. Let's give it back to the individual taxpayer that we took it from the first time around.

Mr. President, I move the amendment.

ACTING PRESIDENT FARLEY: Call the roll.

SENATOR GOLD: Party vote.

SENATOR PRESENT: Party vote in the negative.

ACTING PRESIDENT FARLEY: Party vote, with exceptions.

THE SECRETARY: Exceptions.

ACTING PRESIDENT FARLEY: Senator Leichter is an exception.

(The Secretary called the roll.)

THE SECRETARY: Ayes 22, nays 35, party vote with exception.

SENATOR GOLD: Mr. President.

ACTING PRESIDENT FARLEY: The motion is not agreed to.

Senator Gold.

SENATOR GOLD: Yeah. Mr. President, I have a couple others, one which would exempt the first $500 of interest tax and interest income from taxes, and I have some others, but I can see it's trending. I think I'll -- it was not an easy trend to find right away; but let me say this, Mr. President, in answer to the gentleman from Syracuse, the Republican Party chose today to put out on the table its answer to what it would do if we had $700 million to give back, and they would give it back to one place. If you want to have a Democratic day, we could do that. You want to give us tomorrow, and we'll put out the Democratic answer to what we would do if there is that money around, and we would be as willing to waste two hours of your time as you wasted two hours of our time. None of this means too much, because we're not at the table and, if we were at the table and we were talking about the

spending, we were talking about the cuts, it would mean something.

But lest you break your own arms putting yourself on the back, let me tell you, Bond Buyer, you know what Bond Buyer said in this publication which is dated March 28th, came out yesterday? Let me put it this way: This is talking about the Senate Republicans. They indicate that the fact that you come down to the wire and put these issues out is destructive to the process, and they're talking about you. They say they throw out these trial balloons without any real concrete solutions, and it doesn't encourage us to see late passage of budgets. This is explaining why they are unimpressed with New York and the budget process. They are unimpressed with Republican Senators putting out a stupid trial balloon three days, two days before a budget deadline when your leadership should be at a table discussing getting a real budget.

Forbes, January 31st, 1994: "Aren't the state's Republicans who control the

state Senate resisting the racket? Not very hard. The New York State Legislature operates according to pre-Watergate standards. There are few restrictions," and it goes ibm et cetera, et cetera.

You people are not the darlings you like to think you are. Let's be real about it. Let's be real about it. I've always judged staffs, for example, not by what the person who employs them tells you, but what other people tell you. You walk around and say, Oh, my staff is terrific, and had you noticed this one is great.

I like what I hear from other people, and that's the way I feel about myself and everybody else too. It's called "the looking glass self." One of the few things I remember from a -- my education -- my Cornell days. And what is "the looking glass self?" It tells you, you want to make a judgment by what you're seeing, the reflection as it comes from other people. So when you stand up and you utter all of these statements about wanting to

cut back, to give it back to business, et cetera, et cetera, why don't you see what the rest of the world sees -- what Forbes sees - what the Bond Buyer sees? Not a bunch of heroes who are going to save the economy of the state of New York, but people who are involving themselves in a clownish effort to get some statewide publicity on issues where you won't be able to deliver and then blame it on somebody else.

I remember -- I remember last week, somebody asked Senator Ohrenstein whether or not we were going to have a budget by January 20 -- by March 24th, because that was all the publicity that all of you people were throwing out. March 24th, oh, we're going to be early this year. Senator Ohrenstein said, "There can't be a budget." Somebody said, "Why?" He said, "Well, we haven't had the fight yet." Said, "What are you talking about, fight?" "We can't pass the budget without a fight, and we haven't had the fight yet because the Republicans haven't put out their balloon and

haven't confused the issue yet, so we can have a fight over it and come to the table and have a budget."

Well, that is just so irresponsible. You know, I'll argue with anybody on the other side over where we should spend the money. I'll argue with you how we should raise the money. I'll argue with you how we give the money back, but those are legitimate arguments.

All of this stuff is just nonsense -- nonsense. You want the public to believe that you're for $700 million in business taxes. Well, you put in a bill, it's out on the table, you got four days of free press. The public now sees it. Two hours today you could have been down negotiating. Instead, we have this nonsense and your leadership says, Well, you know, some time Thursday night or whatever, we'll reach a deal and everybody is very nonchalant about it.

I remember, I think it was last year but it may be the year before. The

Governor said to me early in March, he says, Manny, why don't you deliver a message. If they'll give us a budget by March 15th, I could probably wind up giving them another, and he mentioned a sum of money, for member items or whatever or to give their districts; but the way they do their budget, the waste of time in the budget, the irresponsibility in the way they do the budget costs us money. If we came in with a budget on time or we came in with a budget early, it would make the state look so good, we would save money, and then that money would be available.

But in closing, Mr. President, and by the way, I will vote against it. I wouldn't give dignity to this bill and you can -- anybody wants to go call up The Business Council or anybody else, tell them Manny Gold voted against it, it's O.K. with me because I can look anybody in The Business Council in the eye and tell them that I am for serious, serious tax cuts and serious spending and serious programs. I'm sick of the politics of this

place.

But the bottom line is, the bottom line, congratulations to the New York Daily News, in their editorial on Friday. Congratulations to the Syracuse Standard, I think it is, congratulations to Newsday, Sid Schamberg today for putting it right out there. There's not one of you that can be taken seriously in the budget process as long as you hoard away $60 million of taxpaying money that ought to be out there like every other dollar out on the table being used properly for the people or given back to the people.

Do you need money next year? You've gone over the budget. Come back in the deficiency budget like a man or like a woman, like an adult, like anybody else, instead of reaching in your back pocket and holding out $60 million. That would be responsible. That would show that, to some extent, you meant what you said about fiscal responsibility. But you're not even prepared to do that.

And you know something funny? I

told them, I told the people I spoke with, the press, I said, I'm glad you're doing what you're doing. But you want to know something? They're going to ignore you. They don't care. You know, sticks and stones, et cetera, et cetera. Meanwhile they'll hold onto that 60 million and give the news letters where they want and give the staff what they want and you'll never know why because the Senate doesn't have the guts of the U. S. Congress to open your books. So you not only hide the money away in your own private cookie jar, you're even ashamed of it because you won't tell people about it. It's the only thing I can understand. If you weren't ashamed of it, then you would make the books public.

Senator Pataki, you're a little late. They rejected you a minute ago.

At any rate, my colleagues, Mr. President, I would absolutely urge that this bill not be considered today, that we go to the bargaining table and come up with a budget, but I certainly will vote against it.

ACTING PRESIDENT FARLEY: Senator

DeFrancisco.

SENATOR DeFRANCISCO: Mr. President, I think Senator Bruno and Senator Stafford expressed the need for this bill, so I won't go through that. However, I think it's important to note that it's -- we must send a message not only to the business community of this state but to the business community throughout the United States that New York State is a good place to do business.

You know, we talk about a lot of wonderful programs, and there's a lot of wonderful programs that people come to us for support. With the tax base continuing to erode, with less and less jobs in this state, we're just fighting a losing battle. I don't care what your pet project is, there simply isn't going to be enough money there.

Each of the proposed amendment suggestions are good suggestions, but people, I don't think, mind paying taxes if they have a job, because without a job it doesn't matter what the tax rate happens to be; and we've got

to create jobs in this state and reverse the trend and that's what this bill does.

Now, we've been called a lot of names here. We've been called "posturers" by one of the champions, who admitted he's postur ing himself, and we've been called a lot of things, but the fact of the matter is that this bill is not simply a Republican bill. The guts of this bill is the Bruno/Morelle bill which has close to 50 sponsors in the Assembly, sponsors that happen to be Democrats.

So this isn't some suggestion that's just coming off the political shelf by one party to make a point in an election year. This is a bipartisan bill that's supported by many members of the Majority of the other house that happen to be Democrats. That's how important in is. It's not hypocrisy; it's not posturing; it's what's needed.

And one last point. Senator Gold has mentioned that this is just a trial balloon that we throw it out there for the press and we never have any hope for anything like this

passing. Well, I hope, even though I'm only in my second year in this body, that I never become that cynical about the process because I remember vividly last year when there were many Senators, Republican Senators, they were arguing long and hard for a reduction in the corporate surcharge, long and hard, and that was on the table last year. It was being discussed last year. All of a sudden, this year that two and a half percent reduction in the corporate surcharge that we weren't able to get last year becomes part of the Governor's budget.

Would that have happened if we didn't raise the issue last year, if we sat on our hands and just put needless amendment after amendment or we did something for simply posturing? It wouldn't have been part of the Governor's budget.

It was a suggestion that we brought to the table this year. Now, it's part of the Governor's budget. I don't think anybody on this side feels that every single part of this proposal is going to become part of the

budget, but if we get more than what's on the table right now, then we've done a service to this community, and it's not only to businesses, it's to those people that don't have jobs now that want the dignity of a job, that want to pay taxes so they can support the various programs that we all feel are very important.

So I strongly urge, now that the posturing is done, I strongly urge everyone in this body to join with the Republican Majority and the 50-some-odd members of the Democrat Assembly Majority that's going to support these types of business tax cuts so that we can spur the economy on in this state and no longer lose the jobs to our surrounding states and hurt the economy of New York State as it's been hurt so badly in the last several years.

ACTING PRESIDENT FARLEY: Thank you.

Senator Goodman.

SENATOR GOODMAN: Mr. President, for the past approximately hour and a half, almost uninterruptedly, we have seen in this

chamber one of the most extraordinary puppet shows since Jim Henson went on the air with his educational program for children. The master puppeteer, Senator Gold, has gotten up and, in an almost perfectly scripted performance worthy of television, he has called one at a time upon a series of his colleagues to get up and pose what appeared to be an utterly spontaneous assortment of questions with respect to the tax program before us.

It was a very elegant and smooth piece of work with one exception, ladies and gentlemen, and that is that this house prides itself on being a house of civility of discourse. Some have even called us one of the great legislative bodies of this -- of the nation, and I'm sorry but I must take very personal exception to a situation in which you proceed to analyze a tax program with a series of personal attacks with a degree of, frankly, vituperation which I haven't heard on this floor in a very long while, if at all. Such phrases as "irresponsible" and "clownish" are just the

start of it; but we're being called hypocritical and I think I actually heard the phrase "intellectual whores" being applied to the people on this side because we dare to present a tax program which, in our judgment, is in the best interests of the people of the state.

I suggest to you that that is not a proper characterization, and I'm sure that my distinguished colleague who used that language, on reflection, would not wish to subscribe to that as an accurate way of representing what's been going on here in these past days.

Let's take a few moments to review exactly what has happened so that we can put it in proper perspective. First of all, the Governor has come forth with his executive bud budget, as is his obligation, and in that executive budget, the Governor has propounded a series of tax cuts aggregating a substantial amount, and in his State of the State speech and in his message, his budgetary message, the Governor made it clear that it was imperative that this state cut taxes in order to protect

jobs. So the principle of tax cutting in order to protect jobs is certainly not one that is exclusive to either side of the aisle.

Now, my colleagues, there are some distinguished Democrats, and I think we might cite one in particular who enjoys great respect statewide, who have had some things to say about our tax package which was advanced from this side. Yes, I'm referring to the $700 million tax package cut proposal which emanated from Senator Marino and every member of the Republican Majority.

First of all, this distinguished Democrat said in a letter dated July 25th: "Let me thank you for the courageous stand you took yesterday in introducing a major tax relief package. Your bill will produce jobs --" underlined -- "in New York, and creating more jobs in the only way to advance all enterprises we care about in this state."

Almost prophetically, he said the following: "In the days ahead, there are those who will be slinging mud at you, accusing you of

neglect or special interest, blaming you for holding up the budget," and so on. He says, "You are taking a brave stand and we will stand with you all the way," and the signatory of that letter is the former Majority Leader of the state Assembly, Daniel B. Walsh, who happens today to wear the hat of the president of The Business Council of the state of New York.

For those of us who know Dan Walsh know that he's a man who speaks with perspective and intelligence and, in a non partisan spirit, he's embraced this program and he's said that it was courageous to introduce it.

There are some more approbations worthy of direct quotation. "New York will be able to do more for schools, local governments, the needy and others only if it restores the health of the prime sector economy that pays the taxes. In fact, if we had merely matched the nation's growth rate since the recession ended in March 1991, we would have 424,000 more jobs than we do right now."

Now, my colleague in an earlier part of this debate, Senator Galiber, addressed some questions to Senator Stafford. He said how can we cut taxes and still fund dollars for his worthy expenditures. There's an answer to this, and it's one that you should follow very carefully because it's premised on some hard facts which I think are worthy of your respect and not your derision.

The Senate tax cut proposal aggregates $703 million. There are already 200 million of tax cuts in the Governor's budget. So if we subtract the 200 million from the 703 million, that leaves us with a net additional tax cut proposal emanating from us of $503 million.

Now, if you will take a look at the facts of the budget, you will find that there is a universal agreement that there is at the moment a set two-year surplus in the budget of 550 million and there's a grand total of 150 million of saving also agreed upon in bipartisan fashion, which means that if you take the

two-year surplus plus the additional savings, 50 million in the capital budget, 50 million in Social Services, 50 million in miscellaneous cuts to the Governor's budget, you come up with a grand total of 550 plus 150, or 700 million. That's surplus and available funds.

If you add to that what we respectfully put forward as a legitimate number, namely 230 million of amnesty on taxes based on the specific experience we've had offering amnesty in the past and having it exceed all expectations and having it bring into the pool of taxpayers a whole new cadre of people who previously had evaded their taxes, you will understand that what we are proposing is something that is rational and is not fatuous or promiscuous.

The grand total available, therefore, if you add up the net tax increase we propose minus the governor's package already advanced of 503 million minus what is available for -- as a result of the surpluses and expense cuts, you find that available for new expenses,

even if you take the tax cuts we recommend, is some $470 million.

Now, if we -- as the budget discussion progresses, are proposing expenditures in excess of 470 million, then it would be legitimate to say you're on unsound ground because you're asking that there be deficit spending.

Now, we all, I think, very clearly understand what has happened over the past decade of expenses which have outstripped inflation better than four to one are a series of bonds which have placed a tremendous noose around the state's neck and have caused our credit rating to drop like a rock to the basement of all the states in the Union.

These things are things for which we can all share in some blame and for which we should justly be willing to stand up and express a desire to reform. But the fact is with all of that experience under our belts, we're trying to do something sensible, and I think it deserves a slightly better reception than it's gotten here

today.

Now, let me just take a couple of moments to share with you some of the fundament al strands of our approach which I think differ philosophically and materially from yours. What we're saying, my colleagues on the other side of the aisle, is simply this: We are saying that jobs represent the core of the future economic viability of the state. We're saying that unless you can put good people to work on a permanent, not on a Band-Aid patchwork basis, that the economy of this state will continue to be undermined as it has been so tragically with the hemorrhage of jobs that we've seen in recent years.

Let me just remind you with regard to that hemorrhage that during the now ending recession, one in three Americans who lost their jobs was a New Yorker. In 1965, 154 of the nation's 500 largest corporations was headquartered in New York. We now rank third behind California and Illinois and today there are just 43 -- we dropped from 154 to 43 of the

biggest industrial corporations. That's not a loose -- an hallucination. That's not anybody's imagination. That's a hard sad fact as job after job, permanent jobs, have moved out of the state in droves.

In 1991, W.R. Grace moved its 500 headquarters employees from New York's 42nd Street to Boca Raton, Florida. An executive said, and mark it well, "With nearly 8 percent in state income taxes and 4 percent in city taxes, everyone here got a 12 percent raise on the day we moved to Boca Raton." Not bad, a 12 percent raise for the privilege of moving out of New York, but tragically reflective of a counterproductive policy on our part.

Now, you come before us and you've offered a whole shopping bag full of goodies to try to suggest to the public that what we're doing is hurting the little guy or hurting the elderly or hurting a whole series of special interests for whom we all have sympathy.

So the real question becomes, do

we want to hurt those people? Senator Gold's amendments were all very sharply pointed and targeted to try to reflect to the public what I respectfully suggest is a misconception.

We fundamentally think that the bedrock foundation of the state's economy must be its jobs, and we believe that, if we create an environment within which jobs can flourish, that the state's economy will have to prosper and that all of the minute special interests which have been delineated in your amendments will consequently rise or, as President John F. Kennedy said, In a rising tide, all boats rise. How do you create the rising tide? That's the conundrum which the collective ingenuity of this house is being challenged to address, and I suggest to you that the way to do it is to undertake basic taxation structures which cause business, which is the great driving engine of the economy, to make available jobs on a long-range basis. If we try to keep spotting it and keep picking the special interests -- and none of us are exempt from that particular

creeping disease called toadying up to public interest; hopefully, we don't do it too often and hopefully if we do it and make mistakes, we learn from them. The simple fact of the matter is we're trying to do something that's basic, and please don't say that this was brought in at the last minute. Facts change, and this is not the last minute. There is plenty of time for the adoption of this program and, if it's now our perception that there are additional surplus funds which were not earlier available in the Governor's budget, and if it's our perception that certain savings can be made in our delineated 450 million forwarded earlier, then it seems to me we have the obligation, not just the right but the obligation to bring forth a program that enables us to further buttress this fundamental structure of long-range jobs.

So that's sort of where we are, my friends, and I'd just like to say one thing further about the question of our state's tax posture. I'm the chairman of the Senate's Taxation Committee, as you know, and in that

capacity have an opportunity to take a look retrospectively with 20/20 hindsight -- I wish we had 20/20 foresight -- at what some of our policies have done to this state. Let's share a few of these things.

The fact is that the nationwide per capita taxation comes to $2900 in round numbers. In the state of New York, our state and local taxes come to $4300, 4300 versus 2900. That's a pretty dreary comparison.

As a percentage of income, New Yorkers pay twice as much of their income on state and local taxes as the average American. In state and local taxes, New Yorkers pay 62 percent more than the national average and 22 percent more than the next most expensive state, which is our neighbor Connecticut.

Do I have to remind any of us what the situation is competitively with our neighboring states? Take a look at the states of Connecticut, Massachusetts, New Jersey and Pennsylvania. New York's income tax rate alone is 7.9 percent, in round numbers, 7.875 to be

precise; Connecticut 4.5 percent; Massachu setts, 5.6 percent; New Jersey, in its new tax rate, 6.7 percent; Pennsylvania, 2.8 percent and, to make it worse, our tax starts to escalate at the $26,000 income level, and above that it's even higher than the rates I've mentioned.

Isn't it self-evident that, in this type of a competition with our immediate neighbors, we're going to suffer? They are keeping a weather eye out on us every moment and every time there is a demonstrable glitch and an invidious comparison in our tax rate compared to theirs, they reach across with their radio spots, with their television advertising, with their ambassadors who come from their own economic development apparati, and say to the business people in this state, Are you people out of your minds? Look at the comparative rates. Come on over with us. We'll do what W.R. Grace said, we'll give you a 12 percent raise by just moving into our state.

These are the blandishments, my

friends, that we collectively as a body of Democrats and Republicans, must address because if we fail to do so, we are going to be hurting the citizens who elected us to do their will.

Let me conclude with this: One can come into this chamber and try through, I'll call them good natured tactics of derision and perhaps we get carried away occasionally and use stronger language than we intended, to undercut and undermine what goes on on opposite sides of the aisle. But the plain fact of the matter is that, if there is to be a solution, it must stem from joint collegial ingenuity, not from an attempt to poke fun or to undercut or to hit below the belt in a debate, but rather to try to see, and maybe you see something that we don't see and we welcome you exposing it on this floor. We believe we see something that you don't, and we believe we see it in our $700 million tax cut.

The plain fact is that if we don't have this tax cut, and the Governor concurs, we will have stasis, we'll have more

undercutting in our neighboring states because, as you know, the budget is timeliness in our adoption because, as they say, unless we can come up with an on-time budget and honest balancing of the books, that we'll stay in the cellar and maybe drop even lower.

So it seems to me that's the challenge that we face. I continue to have confidence in our ability to solve this, but I beg of you, my friends on the other side, please do not characterize this as hypocrisy. It is our best effort to bring forth something that will work. If you've got a better one, by all means let us have it, and let's talk about it but let's do this in the spirit of what I truly believe is characteristic of a great legislative body.

ACTING PRESIDENT FARLEY: Senator Galiber.

SENATOR GALIBER: Would you yield to one question? And I won't be long.

Senator, in your heart's heart, you know that we want the same things here that

you want, but you mentioned something about $230 million which would be a one-shot deal. Do you recall the experience that we had back in 1958 when that -- we had the amnesty review?

SENATOR GOODMAN: Excuse me, Senator. Would you yield for just a moment?

SENATOR GALIBER: Yes, sure. I'm asking a question.

SENATOR GOODMAN: You've just, I think, inadvertently misquoted me. You said I called the 230 million a one-shot deal. I precisely did not do that, and I reminded you that in the last tax amnesty which we used in this state, it created a far larger response than we imagined and added people to the tax rolls who remained on the tax rolls. That is not, Senator, with all respect, a definition of a "one-shot."

My colleague, Senator Tully, graciously tells me we proposed 180 million was our projection, and it brought in over 400 million. I think his memory is accurate. I happen to remember that it might even have

exceeded a half a billion which was far and away greater than what we had anticipated.

SENATOR GALIBER: Yes, but what I referred to, Senator, was referring to revenue reduction, recurring cuts here, reoccurring revenue reduction, that this tax amnesty would be much higher.

SENATOR GOODMAN: Not in my opinion, Senator; we may differ.

ACTING PRESIDENT FARLEY: All right. Who is next here?

Senator Leichter.

SENATOR LEICHTER: Mr. President, I believe on your list, you'll note that I was next.

ACTING PRESIDENT FARLEY: Did you have a question, Senator?

SENATOR DOLLINGER: No, Mr. President, I will yield to Senator Leichter.

ACTING PRESIDENT FARLEY: It's Leichter, Dollinger, Daly, Rath and Nozzolio, anybody else who would like to join. Senator Leichter, you have the floor.

SENATOR LEICHTER: Thank you, Mr. President. I don't know what is more disappointing than to think that my Republican colleagues really believe in this tax program or whether they put it forth as Senator Gold suggested as posturing and maybe as a -- what must be characterized as a cynical attempt to show the business community how friendly and how beneficial you're going to to be with them, knowing that there's no way that this program will ever be enacted or that, if you had the power to write this budget, that you would conceivably, in the context that we're acting, so write this particular tax reduction.

Let me just say, if you proceed this way there'd be no money for Medicaid pick up, Senator Goodman. Your city and your mayor that you've already hard campaigned for, would not get the money that's needed. We wouldn't have additional school aid, because, Senator Goodman, we can not accept and no rational fiscal monitor is going to accept this exaggerated idea of all the monies that are

available. That's what got us in trouble.

Senator Goodman, every year you vote for a budget that makes the state's financial situation worse and then next year you come and you lecture us how irresponsible we are.

SENATOR GOODMAN: Will the Senator yield?

SENATOR LEICHTER: Yes.

SENATOR GOODMAN: Since you address your remarks specifically to me, Senator, let me just take a moment to ask you a question. I've demonstrated to you that it is our judgment that there would be $470 million available for increased expenditures and as I think you are aware, the mayor of the city of New York has requested not that 110 million be set aside as the Governor requested for Medicaid pick-up, but that 130 million be set aside. I think it's quite evident from the simple arithmetic in the case that 470 million is more than adequate to cover a $130 million pick-up and then some.

So I urge you, please, not to say that it leaves no room for Medicaid pick-up. I staunchly advocate Medicaid pick-up. It is grossly evident that the increase in Medicaid is one of the straws that break the camel's back in this state, and will continue to, and I think it is fair to say that Senator Marino and the mayor who met Friday in a public press conference in which they agreed that it was advisable to have Medicaid pick-up in the magnitude that I dis cussed, have firmly gone on record as proposing this, and I staunchly agree with it. I presume you do as well.

Is there enough money available? Our arithmetic says "yes," and in past projections of our revenue predictions, I would remind you that the Wharton Econometric Institute's projections have been the most accurate of the three legs of the tripod. They have consistently come in closer to hitting the nail on the head as to what revenue we might expect, and given that, Senator, I ask you the question: Is it fair for you to suggest on its

face that the money is not there? I see it as being there.

SENATOR LEICHTER: Senator, I think it is not only fair; I think it is the prudent, conservative thing to do because the fact is, Senator, that your side of the aisle time and time again has been wrong on its projection. In fact, this has been part of the Republican tradition, if you will.

We had the same problem nationally. You projected how tax cuts were going to lead to a boom in the economy. You almost bankrupted this country. You saddled us with a one and a half trillion dollar deficit. And take a look at what has happened to the finances of this state, not from budgets that this side of the aisle in this house wrote or voted for, Senator Goodman.

The reason that our bond rating is, I think, the third lowest among the states, maybe just above that of Mississippi and Louisiana, is because of the fiscal gimmickry that's been engaged in by your side of the

aisle, and granted the Assembly has voted for it, but time and time again your side of the house has pushed both these expenditures and tax cuts that we can not afford, and I'm saying to you, Senator, as far as the figures that I have seen, we're going into this year with 300 million. We have $500 million left over, if you will, from 1993-1994. The Governor promptly took 120 million of that to correct a one-shot gimmickry with Medicaid. He put 82 million in the -- in the rainy day fund. That left three -- that left $300 million.

SENATOR GOODMAN: Mr. President.

ACTING PRESIDENT FARLEY: Senator Goodman, why do you rise?

SENATOR LEICHTER: No, I'm not going to yield at this moment, please.

ACTING PRESIDENT FARLEY: He doesn't care to yield.

SENATOR GOODMAN: Would you let me know when you're ready?

SENATOR LEICHTER: I will, Senator.

In addition, the two houses have indicated that there might be additional monies over what the Governor said, taking a look at tax collection, of about 400 million, about $400 million.

Senator, that's roughly $700 million at best and, by the way, the Governor has not agreed to that additional $400 million figure. The comptroller of the state of New York has not agreed to that additional figure. So by accepting that figure of 400 million and giving you another hundred million or another 120 million, Senator, how can you have a $700 million tax cut and at the same time have money left over for the Medicaid pick-up which is so important to your city and my city, and I -- I believe -- I believe you favor it, but, Senator, you can't do all things, and if we -- if there's been a bit of derision here, and maybe Senator Gold has been a bit hard in his language, but Senator, frankly, listening to some of the things that have been said here and looking at this proposal, it invites derision. Derision

doesn't come from what we say. Derision comes from what you put up and, if you feel there's been derision, Senator, it's because that is called for by the program that you've been putting up.

You get up, Senator, and you say, I am proud to announce I've got a great Democrat who's supporting this. You know, we're all sitting there with baited breath. Who? Who is it? Bill Clinton? Jimmy Carter? Felix Rohatyn? It's Dan Walsh of The Business Council. That's amazing! Dan Walsh is supporting this, a Democrat. Well, Senator, he works for The Business Council. I think Dan Walsh is a terrific person but, obviously, he's what you would call in this situation a special interest. He represents the business community. Of course, the business community is going to say, This is wonderful, and so on.

So, Senator, that invites derision. I'm sorry to say that. What other - what invites derision is some of the figures and facts you give us. You say we're a high tax

state. You're absolutely right, Senator, and mainly because of the local level, because of some of the things that we've done here in Albany. As far as the state taxes are concerned, if you take away local taxes, we're about 14th or 15th amongst all the states. High? Yes, granted, but 14th or 15th. When you add on the local taxes, that makes us number one.

So what, Senator -- and I have to say what I find astounding in your argument, you give us these figures, and then what is the tax that you recommend we reduce, and the only tax? It's the corporate tax. That's not the tax, Senator, that pushes up -- pushes us up to the top of the ladder in being a high tax state. In fact, if you take a look at the corporate tax, we're really not that much higher than similar industrialized states.

Senator Bruno says, let's give the money back to those who -- to those who have paid what he sees now as a large surplus. Even if that surplus exists, Senator Bruno, the

corporate tax accounts for 18 percent of all of the revenue we've raised. Most of it comes from the income tax. Most of -- more of it comes from the sales tax.

I asked the Tax Department to give me some figures. In 1982, 52 percent-point 47 of the state's revenue came from the income tax. 15.60 percent came from the business tax and by 1990, Senator Bruno, listen, I mean I know this has mainly been an anecdotal exercise and an exercise in mysticism, so maybe it's unfair for me to throw out figures, but let me -- let me throw them out anyhow. You might be interested.

By 1990, the personal income tax had increased from 1982 when it was about 8 billion and it increased to 50 billion. The business tax in 1982 was 2.390 million and that increase /-D to -- I'm saying million, it should be billion, increased to 3 billion 445. So it had a far slower increase than the personal income tax. Similarly, the sales and use tax between 1982 and 1990 almost doubled. So the

big increase has been between the sales and use tax and the personal income tax, not the business tax, Senator Bruno.

Now, since 1990, the figures do support some of your argument. Since 1990, the share that business contributes to the state of New York revenue has increased from 12 -

ACTING PRESIDENT FARLEY: Senator Present, why do you rise?

SENATOR PRESENT: Senator Leichter, may interrupt you for a moment?

SENATOR LEICHTER: Sure.

SENATOR PRESENT: Mr. President, in order to allow two of our members to cast a vote, may I have the last section read, call on Senator Bruno and Senator Gold.

ACTING PRESIDENT FARLEY: Senator Bruno. Read the last section for Senator Bruno and Senator Gold.

THE SECRETARY: Section 99. This act shall take effect immediately.

ACTING PRESIDENT FARLEY: Senator Bruno, how do you vote?

SENATOR BRUNO: Yes.

ACTING PRESIDENT FARLEY: Senator Gold, how do you vote?

SENATOR GOLD: He said yes? No.

ACTING PRESIDENT FARLEY: He said yes.

SENATOR GOLD: No.

SENATOR PRESENT: And Senator Pataki.

ACTING PRESIDENT FARLEY: Senator Pataki, how do you vote?

SENATOR PATAKI: Yes.

ACTING PRESIDENT FARLEY: Senator Present, you want the roll call closed?

SENATOR PRESENT: Close the roll call and continue.

SENATOR LEICHTER: I just want to point out, Senator Bruno and my colleagues, before you leave, the increase in the last two years in the business tax is because we enacted a surcharge and the Governor proposes to get rid of that surcharge. He phases it out over a number of years. You want to do it immediately.

But I think the big question is that has not been answered, and Senator Goodman says we've lost jobs. He's leaving, I'm sorry. I was hoping to engage him in this discussion, but I think one of the problems with your approach is, there's no question, New York State has lost jobs. A lot of the jobs are due to changes in the national and international economy and have really absolutely nothing to do with anything this state did or didn't do.

But assuming that we can significantly impact the economy of the state, and I submit to you that, by and large, we're pretty much limited because what the -- what the Bundesbank does in Germany is probably going to be more -- have more of an impact on the economy of New York State than anything we can do here in Albany.

But if you're going -- if you accept the proposition that our tax policy is going to make a real difference in the creation of jobs, you can well ask whether you're not going to spur more economic activity by changes

in the income tax, by changes in the sales tax, or by a mix of income, sales and corporate tax which I think is what we've proposed, and that's the reason, I think, that some of these amendments were put forth; and granted they were Republican bills, but they're bills that make sense, make sense in a mix, but to argue just because we've lost jobs, because Grace & Company moved down to Florida, therefore, we have to reduce the in... the corporate tax and use up all of the monies that are available in the reduction of the corporate tax and that's going to make the economy of this state bloom is just nonsense.

There's no -- there's no economic basis for that whatsoever. In fact, some years ago a survey was taken of businesses and they ranked corporate taxes as number five of the considerations in determining where to locate businesses. Much more important to them was a qualified work force. We may be better off putting our money in education than in reducing corporate taxes.

They thought transportation was more important. They thought certain quality of life issues were more important, so you just can't go forth and say we've lost jobs, therefore, you've got to reduce the corporate taxes. It just doesn't make sense. There are some corporate taxes that I think ought to be reduced. The hotel tax in New York City, the surcharge ought to be phased out, but to have a tax decrease limited to the corporate tax which is going to soak up all of the surplus -- and you can't really call it surplus, but maybe the money is available that we could possibly use to deal with education needs, human service needs, transportation needs in this state, really just doesn't -- doesn't make sense.

So yes, we've made fun of your tax proposal and, yes, there's some of us on this side of the aisle that think that you don't mean it, that if you wrote the package, if you wrote the budget, you wouldn't use up all of the available monies with this sort of a tax decrease, that you'd want to do something on the

income tax, you'd want to do something on the sales tax, and you'd realize that quality of life issues and the economic structure in which we function is equally as important.

So I think it's unfortunate that here March 29th that we're going through this exercise which is not going to move us any closer to getting a budget passed. It doesn't serve the benefit of the people of the state of New York.

Is it -- is this an irresponsible tax proposal? I think it cannot be character ized in any other way than, yes, it is irresponsible.

ACTING PRESIDENT FARLEY: Senator Dollinger.

SENATOR DOLLINGER: Mr. President, I remember last year right around this time, I got up in front of this chamber as a -- as a rookie and told my colleagues about a funny dream I'd had around in late March, and it involved Elwood P. Dodd and the rabbit Harvey, and how people pulled rabbits out of the hat and

I was willing to vote for the rabbit at that time.

Well, I had another dream and it was, I guess, equally disconcerting. It came upright around March, right around, I guess, the March madness time, and the dream went as follows:

I woke up and -- but I was still in my dream, and I turned on my television set and there it was, ESPN it said, the Empire State Political Network, and sure enough, on comes Dick Vitale, the motor mouth who says, Now time to tune in to the great game of the day. What's the game of the day? Well, it was the GOP game, and it featured a number of the stars, the PTP for the GOP, Senator Stafford shooting three pointers, demonstrating his skill, Senator Bruno in a breakaway dunk, Senator DeFrancisco shooting a little fade-away jumper. Having played basket bull with him, there must have been a little bit of reality in the dream.

But sure enough, there they were playing like madness this game, and then they

went into a huddle, one of those special scenes in the highlight film where you go in the huddle with the coach, and there's Senator Marino, the coach, standing there and he's saying, O.K. Let's not do this year what we didn't do last year. Someone says, What did we do last year? Well, we increased taxes and we increased spending; and everybody in the huddle said, What, we did that? We didn't do that.

Well, then at that point, they cut out of the highlight film and switch back to Dick Vitale who continued to talk about how the prime time had really got to get going, but then he reminded me of one thing in the middle of my dream, and that was that the highlight film that we'd just watched was only the semi-final game. It wasn't the final game.

It was just like, you remember that game involving Houston in the NCAA tournament when the guys from North Carolina State with Hakeem Olajuwon blew away their opponent. They were the number one in the country. They were the best team and then they

ran into a little team called North Carolina State in the final, and lo and behold, they didn't win the title. Again I guess that was just a little beat of reality imposing on my dream.

But sure enough in that dream it all ended with a wonderful display, a wonderful highlight film of the GOP, a wonderful highlight film of tax cuts and people doing great plays in the semi-final game, but it didn't talk at all about the finals and getting to the finals and how, when you got to the finals you'd have to play a serious game again.

Well, right at that point, I woke up, and I came out of my sleep and I walked over to my television set which I often do when I first wake up, and I turned on that TV set, and I saw the fact that the Senate Republicans had introduced a $700 million tax cut for business, and I figured what the heck, I see it on TV, it's got to be real.

Just like my dream about ESPN, this has got to be the final game. You got me.

I'm willing to buy what I see on the television set. I'll vote for this bill. I think it may do some good things, but I want to ask you: What happens when you get to the final game? What's the final game going to look like? How is it going to to be played and how is the highlight film from that semi-finals going to help you in this the final game?

ACTING PRESIDENT FARLEY: All right. Senator Daly.

SENATOR DALY: Thank you, Mr. President.

I might tell my colleague, Senator Dollinger, that if you're going to have the final game, you have to have a final game plan, and this is our final game plan.

I've been sitting here taking notes listening intently to my colleagues on the other side, and I'd like to work from those notes. I was interested in the bills that you presented to us; our bills note that it's one bill from each Senator and that none of the bills, interestingly, has been brought to the

floor yet. None of those bills have come to this floor, and we have a bill on the floor today and that's a bill that's going to cut corporate taxes and, as you know, as I've listened and heard the comments of my colleagues on the other side, particularly Senator Gold, I really was impressed. I really was.

Senator Gold wants to improve the business climate in this state. He said it. Mirabile dictu! Isn't it wonderful? And yet he condemns -- condemns this side of the aisle for putting a bill on the floor that would do just that. We have asked him, you know, if you don't like our bill, what would you do? Senator DeFrancisco asked him, I did, what would you do to improve the business climate if you agree, and we all seem to agree that we have to do that in New York State and that really is an awakening. We have had an awakening in this state. I've heard from the other side of the aisle that the business climate should be improved and that, believe me, is an awakening.

So he, as I said, Senator Gold

refused to tell us what he wanted to do, and he's very critical of us when we tell him and the people of the state through this bill what we want to do, and he calls us clowns, intellectual whores, posturers, hypocrites. He's really honing his argument ad hominem on the floor, and his arguments were not only fallacious, they were salacious, and I took exception. That's not the Senator Gold I know, but he's had either a good day or a bad day depending on your point of view.

We're criticized for putting the bill on the floor because negotiations are going on. Negotia... don't dare put a bill on the floor; we're negotiating. We're negotiating with a Democratic Governor. We're negotiating with a Democratic Assembly. We've been told this is new; this is not new.

We've been pushing this bill for two years, most of it, and getting no -- no acceptance or even a modified acceptance in the other house. Some acceptance this year, and you're right, Senator Leichter, from the

Governor, and that, too, is indeed an awakening. But it is a good awakening, and I gladly accept it and I congratulate him, because, ladies and gentlemen of this house, when you get right down to the bottom line, the most important thing that we can provide to this state are jobs and an expanded tax base, not only to the state government, but also to our local governments, and rightly so.

Many of you have talked about what we have to do to help local governments and we should. But I submit to you, aren't we doing something important if we really believe that New York State has a reputation about being hostile to business, and we do, we do. Isn't it important that we change it? Because we all know that perception unfortunately all too often is more important than reality, and we are perceived, we heard Senator Gold read from Forbes, I know he took it out of context quite a bit, and we heard Senator Goodman, Senator Stafford, that is the reputation we have and because of that we have lost jobs. Maybe some

of us don't want to admit it, maybe as the Governor does, it's somewhat to blame it strictly on a global situation, but when you analyze this nation as a whole and you look at what each has happening in each individual state, New York State is at the bottom of the ladder. We have lost more jobs, higher percentage of jobs, and our economy is coming back much slower than all the other states in this nation.

Now, that, isolated, should tell us something, and I take very strong exception to be called a posturer, that I'm voting for this bill, I'm pushing this bill because it's the political thing to do. Sure, I think it's good politics, but more importantly, this is in the best interests of the state.

We have to stop thinking short term, and that's what we do, all of the time. We've got to think about what the state is going to be like in the year 2000 and remember, remember what moves the state. Where do all the finances come from? Where does all the money

that goes into the state treasury that's used for our welfare and our Medicaid programs, for our programs to help the mentally ill, where does all that money come from? It begins in one place and one place only. It begins in the private sector, and if you want to continue to be generous, have a generous and humane state that can offer those in need the things they need, then you've got to have a private sector that's going to pay for it. You have to have a private sector who's going to pay for it and that to me is the bottom line, and that's why this bill is on the floor.

Senator Gold also said, we don't have to help those Icahns, those presidents and those CEOs, and, Mr. President, I could not agree with him more. Those are not the people we're helping, because they can pack up and leave with the company. They don't have to stay in Niagara Falls or Buffalo or Rochester or New York City, but the worker does, the maintenance man, the pipefitter, the elevator operator, the steno. What happens when a plant shuts down?

They stay and they're out of work. They're out of work. The Icahns, quote-unquote, leave the state and go with the company.

We are talking about the people who need the help the most with this bill, because the most important thing, Mr. President, that we can supply to any New Yorker is the opportunity to make a living in this state and raise a family, and when I see all of our young people that are leaving our state to go elsewhere because they can't find a job in this this state, I cry.

And so what do we do? What do we do about it? I believe that you care too. Now, maybe you disagree with us. Maybe you disagree with us. We on this side of the aisle feel that what we have to do is change New York State's image and make business believe that New York State wants them to do business in New York State and, if we do that, we will create additional jobs. We'll expand our tax base; our people will work. We won't have to tax them as much individually, because our tax base will be

broader.

Long term, my colleagues, this is the way to go. This is the way to go. Thank you.

ACTING PRESIDENT FARLEY: Senator Rath.

SENATOR RATH: I rise to speak to the issues that brought me to Albany, that brought me to the New York State Assembly - Senate, pardon me, New York State Senate. People ask me, how do you like it, how -- what have you seen by way of observations?

I would say that, along with everyone else in the state of New York at this time of the year and everyone interested in politics, for years I turned my eyes to Albany too as a county legislator to see how the state budget was going, to read the editorials in the newspapers, and to take a lot of interest in what I finally have come to call the "rites of spring".

Well, the rites of spring were a little bit different for me this year as a state

Senator than they were as a county legislator. I had the opportunity to observe them first hand in my office, in the halls, and in the breakfasts and the reception is, and all of you have been there too.

Come with me, if you will, on a little walk in your mind's eye as I take a look in my mind's eye as to who was here and who wasn't here. The schools were here. We saw a lot of the schools. We have a major responsibility for the schools.

Little group called the Willow Ridge Civic Association from my district, they weren't here. They're a young community. They have a lot of children in the schools. They're interested in the schools. The health care interests, they were here. We have talked to them. We'll continue to talk to them. We have a lot of responsibility to them and they to us.

The Concerned Taxpayers of Genesee County, they weren't here. They're getting old, a lot of them; they probably couldn't travel this far. They have a lot of

interest in health care, but the Concerned Taxpayers weren't here.

The representatives of the social programs, they were here; they've been here before; they'll continue to be here. We have a lot of responsibility to them.

United Taxpayers of Erie County, they weren't here, but they know about the social programs. They know about the tax issues. They weren't here. But I'm here, and I represent Willow Ridge, and I represent Genesee County, and I represent Erie County, and you have the same groups in your district that I just spoke of. But they weren't here. They're the ones who depend on me to help make those decisions for them and to represent them.

But they and their parents and their money and their tax dollars built my district. They built the state of New York. They want to live here, they want to work here, they want to raise their children here.

My colleagues on the other side of the aisle, my colleagues on this side of the

aisle, today have eloquently pointed out the push and the pull that is the debate in this chamber. It's an obvious push and pull. It's taxes and it's jobs. It's how much money do we have, how much can we do, and how are we going to put it together and make it all work?

At the beginning of the meeting today Pastor MacKinnon said from the desk at the front, she asked us to have the courage to stand for something. I will stand beside my vote for this tax bill as the something that all the people that I represent that didn't come to Albany this year, what I know that they need. They need tax relief, and they need jobs if they're going to stay in this state and raise their families here.

ACTING PRESIDENT FARLEY: Senator Nozzolio.

SENATOR NOZZOLIO: Thank you, Mr. President.

Mr. President, my colleagues, I rise in support of this legislation. During this year, we've debated and voted on almost 500

bills, but none more important than the measure we have before us at this hour. The economic policies of New York State and how those policies affect our people are critical for us to discuss and there was a lot of discussion today, hours of discussion. But unfortunately, during much of that discussion, there was a tremendous amount of finger pointing, blaming the Republicans, blaming President Reagan, blaming President Bush, blaming even Nelson Rockefeller.

The fact of the matter, though, if we had in our gallery some of those 600,000 people who lost their jobs, they wouldn't care about blame. They'd say to us, get your act together. Put together a plan and make New York work again. Blame is irrelevant. Action is relevant.

Today, a farmer called me. He just got a notice that the processing plant that he produces product for is going to close, is going to close and put a couple hundred workers out of business and put a couple hundred of

farmers with no place to sell their product. Why? Because that processing plant that produces agricultural products in New York State, using New York product and New York labor, can't produce a product that's competitive with similar products produced across this country and world.

The bill we have before us that cuts taxes makes New York business competitive again, helps New York business provide jobs so that New Yorkers can get moving and working again, so the 600,000 who have lost their jobs in the years prior to this vote will have jobs again.

That's our plan. Vote for our plan. Support our plan. Don't criticize it for the sake of blaming and partisan gain. Support it because it will put New Yorkers to work again. That's why I'm supporting it, Mr. President, and urging all of us to do the same.

ACTING PRESIDENT FARLEY: Senator Mendez.

SENATOR MENDEZ: Mr. President, I

rise in opposition to this tax bill. The premise operating in this bill is that we'll be able to gain more jobs in New York State by having an enormous tax cut for businesses. But see, I feel that there are different ways to skin a cat, Mr. President.

Yes, one way of having the big corporations develop more jobs for the people of the state of New York would be through this bill. I think that a better way would be through the -- through the demand that for products, the people of the state of New York could make and then making it possible for the factories and the corporations to expand. The economy of the -- of the country is growing, I believe, at this point at a rate of 4 percent, and I remember very well that at a time at which the economy in the country was very bad, the big corporations were keeping their profits and keeping their profits. Nowadays -- nowadays they are all trimming down, you know, becoming mean and lean, and throwing out a lot of people out in the streets even though the economy is

growing and even though the consumer has shown that he has greater faith in the economy.

So I think that by voting for this tax bill, Mr. President, we will be putting all our money, all our eggs, in one basket and I don't believe that we should do that. I think that, yes, there is need to cut taxes for the benefit of the business community to create jobs, but I also believe it's important to go steady at it, not to throw all, whatever amount of monies we have and nobody knows at this stage of the game how much monies there is for all of us to spend, whether on taxes or whatever.

I think that this body, the Senate, has a priority in terms of education. If we provide this enormous tax cut, then there will not be any monies to do something in the area of education, and I know that the 61 members here want to do something about that.

So I think that, again, Mr. President, I will vote in the negative on this bill because, as I said before, it's -- it's, as I said before, just like putting all our eggs in

one basket and now that for the first time in about three or four years, we're finding ourselves with a little extra money that we don't know how much it is, for us to dispose of it so in this fashion, is certainly without keeping -- without keeping in mind some of the other need, I think it's a little bit on the foolish side.

So I'll be voting in the negative, Mr. President.

ACTING PRESIDENT FARLEY: Senator Connor.

SENATOR CONNOR: Thank you, Mr. President.

If I may, you know, there's been a lot of back and forth today, and I think the goals articulated by some of our colleagues on the Republican side of restoring health to the economy of New York are certainly admirable, but I think when you look at a business climate, taxes are certainly a very, very important component. So is the level of education and training of the work force, and I think if you

look at every study of New York, crime or the perception of crime is also an extremely important factor in discouraging business, and I certainly admit that what -- no matter what the reality is, there is a perception afoot throughout the country that New York is an in hospitable place or better said perhaps, there are more hospitable places for someone to start a business or locate a business.

We've talked about the needs of different workers. You know, it's easy to put down the rural economy as a cause of some of our problems. I think it is. I don't think we ought to sit back and say there's nothing we can do about it. You know, I haven't heard anybody get up today and talk about what we're going to do for New York's steel workers or New York's auto workers. Once upon a time within my time of service here, there were people here who got up and talked about people in those industries because they were pivotal industries in the great Empire State. Where are they? They haven't been here this year because they aren't

here, and it's not just in New York but by and large they're not in this country, regrettably.

Be that as it may, I think to put out a tax proposal, my first reaction is, well, what do you want to spend? What do you want to spend? You know, I voted against in the past four years, I would say I probably voted against at least three of the budget spending proposals and tax proposals. Most of my colleagues in the majority voted for them, voted for those billions of dollars in fee increases. In fact, I suspect some of you heard at election time about that, from what I read in the newspapers, but I voted against them.

I was prepared to take spending cuts, but I found out my colleagues in the majority voted on the floor, voted before the cameras, but in that budget negotiation process that involves three people sitting in a room, were urging expenditures. They spent more money than the Governor proposed.

So I've learned a little bit in the few years I've been here and when somebody

comes and says, Let's cut taxes, my first reaction is, O.K., well, let's look at the budget. What do you want to spend and what are we taking in, and what do you want to do with the rest?

And I think that's, if I can and I don't want to get into any vituperation here, but that's why it's very easy to characterize an exercise that brings out a tax cutting bill, $700 million, that says let's pass it and launch the budget, is nothing more than devoting three hours of the time of this body to enhancing upon what was a press release last Thursday.

The fact that we've now devoted three hours of debate to it, the fact that there's a bill makes it no more real than it was when it was in a press release. If we're going to do a budget, the budget should be negotiated involving spending, involving revenue reductions, tax cuts, and involving reasonable anticipation of revenue. That's what a budget is about, and we can talk all we want here about our responsibility to the citizens, to create

jobs, and to make the economic growth of this state possible. But the reality is that's not what you're doing until you present to me a budget that is balanced and that takes into account other needs, many of which bear as directly upon the business health of this state as do the possibility of tax cuts, and you know, we talk about the people, some of my colleagues have alluded to the people who come up here, the middle class people, what their needs are.

Education -- education, schools -- that's very, very important. Yet the Majority here rejected today amendments, and I suggest those amendments were just as real as the main bill in the overall budget process, rejected amendments that would have provided direct relief to local property taxpayers, would have enhanced revenue to education in our localities, would have provided relief for senior citizens, the same people who've been coming up these past weeks, would have provided tax relief to middle class taxpayers.

Were those amendments real? By

and large, they were the ideas of members of the Majority. It's just as real to put them out here and talk about those ideas today as it is to talk about the $700 million tax cut in the vacuum, in the vacuum that now exists. Where do you want to spend the money? Put your spending bill out here. Let us see your spending bill. What do you propose to spend it on?

If this exercise was so the Majority could stand up and say, we're tax cutters, we voted to cut taxes, I suggest respectfully to some of my colleagues in the Majority that there are other Senators who will be able to leave this chamber today and say, I voted for more tax cuts than anyone else in this chamber. I voted for more tax cuts than any Republican member. That's what you've created by this political exercise.

I would urge the Majority, go back, negotiate a budget, negotiate a budget without the games. Someone, one of my colleagues on the other side said, This is the final game plan. Well, I suggest to you, it's

time to stop game plans and game playing and negotiate a real budget that serves the interest of all the people of New York State. They are their very, very real needs as well as the real needs of the business community to go and increase employment.

ACTING PRESIDENT FARLEY: Read the last section.

THE SECRETARY: Section -

ACTING PRESIDENT FARLEY: Hold on. Hold on. Wait a second. Senator Stafford. Did you want to close?

Senator Larkin, did you want to -

SENATOR LARKIN: Explain my vote.

SENATOR STAFFORD: We're not on the roll call yet.

ACTING PRESIDENT FARLEY: Did you want to close for the Minority or what happens? Senator Galiber will close for the Minority and Senator Stafford will close for the Majority and anyone else that wishes will explain their

vote.

Senator Galiber to close for the Minority.

SENATOR GALIBER: Yes. Thank you, Mr. President.

This has obviously been a very, very long, long debate and those of my colleagues who would suggest that we're not for real on this side, that we haven't got the same interest that you have, and I say that's not so. I have had an opportunity to speak at length with Dan Walsh, The Business Council, also had an opportunity to invite him to my office and speak to persons from the petroleum industry, had an opportunity to speak as many of my colleagues on this side of the aisle talk with the security people.

Senators, what we're suggesting here is that, if we all want these good things for our state and city, its peace and health, equal justice, abolishment of poverty, jobs and we want it now, not in the distant future. What you have accomplished here today is absolutely

nothing. There's been a bit of name calling across the aisle and that's what happens when you're frustrated and Senators on the other side collectively, I always say individually you're great persons, but I can pick you off one at a time, fine, but collectively is where we have problems on this side of the aisle.

Even in the best of years, the Legislature cannot grant the requests of every interest group looking for financial assistance and looking for tax cuts. Just can't do it.

Senator Goodman would have us believe, and he avoids use of one-shot deals because of the -- perhaps the political incorrectness, but the $230 million is, in fact, a one-shot deal. It will only occur once, and it won't occur in future years if we don't declare amnesty every year. Just once before this, if my memory holds me in good stead.

The fact of the matter is that, if we were to pass some kind of way, the Alice in Wonderland, Walter Mitty society, call it what you will, but if we were to pass this piece

of legislation today, and it would somehow get to the Assembly tomorrow, and it would pass, you would hear a hue and cry from the other side of the aisle, Foul, let's ask for a recount. Let's do it again because you're not for real at this particular point in time.

51 percent, you hear us talk about the slush fund that's hidden some place and we poke at you in sincerity because it is there and what it boils down to in a basic sense is that, when 51 percent of the people try to control a hundred percent which you attempt to do on a consistent basis, it's another form of government, and that's what our frustration on this aisle is all about, and that's what we are concerned about.

We want jobs. We want business cuts. We want the same thing that you mouth and give lip service to, but in reality, you don't mean it, so it's not a question of where you're coming from as far as the substance is concerned. We question your sincerity as usual, and when we call you names it's all in the

spirit of what the debates get about, but keep in mind that the same things that you want we want.

This is a timeless -- not a timeless bill, but this bill comes about as a result of a political ploy on your part and to argue this point that we're not interested in tax cuts, the answer is yes, but we're also interested in revenue sharing. We're also interested in, some alluded to it, your middle class taxpayer which hasn't come up at all. We're interested in the cities. We're interested in education and, if we do all this tax cutting, notwithstanding what you're saying, it's utterly impossible to accomplish those ends.

So you have your day in the sun. I don't think it's shining as bright as you think it's shining because what you've attempted to do here is hoodwink, if you will, the public and they're a little too smart about it, a little too smart about evaluating things. This piece of legislation is going to be one-house,

you know it, and the compromise that's going to come about as a result of this, and I hope the business world is watching very carefully because at the end you'll do the violence to the business community that you allege you want to protect.

The bottom line, you did it in '91, '92, and you'll do it again because even if the Governor does not make the request which he has not, when you get down to your spending, Republicans get down to your spending, you're going to exceed any possibility of this over the $700 million, you call it, in tax cuts.

So, Mr. President, I think this is a bad piece of legislation for the timing of it. I kid my colleagues. I've had the honor of being in this position with great staff and it's a learning process, and I'm enjoying it, and I tell my folks back home, I say in the past six to eight weeks I've become a conservative. I look at this budget, and I say to myself, if we have a little excess, how come we're talking about spending? Why don't we do a little

cutting of taxes? That's what I'm saying to myself, not how can we spend the surplus, how can we spend 400, how can we spend whatever.

This is the way we've been doing business with you, but the Governor in his wisdom has come up with the answer. We just don't want to follow it because it's a political year. He's saying to us, yes, we've misled the business community. Yes, business is leaving New York State. Yes, the mid-Hudson has lost maybe 15,000 jobs with IBM and they've got trained people in that area, trained people with infrastructure already there, and we can not get business to come in and pick it up, that if you want a good job opportunity, business opportunity, go to Georgia, Nebraska, Oklahoma, Texas. They don't have any problems.

So we understand perfectly that our taxing problems have to be dealt with. We're saying that the Governor's approach is a good one because he recognizes the problem as we do, and he's doin' it moderately and that's the right way. You want to do it the wrongs way

because in your heart's heart you know that this isn't the way we could possibly do it.

Thank you, Mr. President.

ACTING PRESIDENT FARLEY: Senator Stafford to close for the Majority.

SENATOR STAFFORD: Mr. President, I was going to have -- I was going to point out that those on the other side of the aisle, that their gall is divided in three parts. Unfortun ately, some of 'em aren't here and, for those of you have who didn't take Latin, that is the second year. I'll be very brief -- and there are three parts, by the way, consisting of name calling, excuses and sometimes using some of our suggestions.

Mr. President, this is a very important day and, like others, I compliment Senator Marino and all the legislators who have been part of this, and there were many. They realized that, if we're going to have a viable state, if we're going to have a viable state, we have to have a private sector that fuels the engines.

None of us are against the public sector. All of us have members of our families who are in it. But if we don't have the jobs, the economy, to provide, yes, the revenue for the state to provide the services we have to, then we're going to go down, continue to go down. We should have realized, and I'm pointing right at myself, what New York City went through in 1975. Some of you were here. Some of you weren't, but it was a lesson, and some of us didn't learn as well as we should.

I would, again, just emphasize when, in two different magazines, and I understand it's in the paper today, but I saw it in a magazine, that we are now third in the United States as far as having Fortune 500 companies. Illinois is ahead of us. I think they're 48, we're 44, and I think California is in the lower 50s, and that is a sign, a bad sign.

We've seen it. We're now doing something about it. Mr. President, we are going to have to follow legislation such as this, and

I point out again, we have explained, we have explained how this will be paid for and I haven't got the numbers right in front of me, but it will be by, as we mentioned earlier, it will be by the excess revenue we have, 200 million, that's two hundred and some million, 200 million of the -- in the budget at the present time, and what's -- and 230 amnesty, and as was pointed out here very well by someone, that was double what which expected the last time we had the program.

So, Mr. President, I don't need to speak any more. Everyone has been heard who wanted to be heard. I might add that everyone deserves a lot of -- a lot of credit for their patience because we see now we're going to end up now by about three hours rather than the two hours, but again, Senator Marino is leading. We're all behind this legislation on this side of the aisle. We have to make sure we take steps to see that it becomes law and that we have some changes and that we have again, I emphasize, an economy -- an economy that will be

such that we have the fuel to provide the jobs and really our way of life here in this state because without it, we'll have nothing, including the services.

Thank you, Mr. President.

ACTING PRESIDENT FARLEY: Read the last section. You wish to explain your vote?

THE SECRETARY: Section 99. This act shall take effect immediately.

(The Secretary called the roll.)

ACTING PRESIDENT FARLEY: Negatives raise their hands. We're going to have some votes explained in a moment. Senator Larkin to explain his vote. Negatives keep your hands up.

SENATOR LARKIN: Mr. President, we've heard a lot of talk back and forth here today about the proposals being put forth by this side of the aisle. The one thing I think the other side is missing. I don't think enough people have gone out and talked to the small business people, the people who employ seven,

eight, ten, twelve people, and what they're saying is that, If I wasn't paying the outrageous taxes from A to Z in the state of New York, I would be hiring additional people. Those additional hirings would be paid, some income tax would be buying things.

But here we want to sit around and make excuses and throw rocks at this side of the aisle. It's very easy when you look at the area that I come from. As the distinguished ranking member of the Finance Committee said, we've lost jobs in the mid-Hudson. We've lost jobs in the mid-Hudson because people didn't go to Texas; they have just eliminated them. They went to Connecticut; they went to New Jersey and Pennsylvania.

We just saw the state of New Jersey reduce its personal income tax by five percent. We are being looked at as the foolish Empire State because we don't have the leadership.

This bill today provides the leadership. We need to get the people on the

other side of the aisle and the people on the other wing of this house to do something about it. We keep talkin' about the people of the state of New York. We hear people come up here and talk about TAP; we hear people talk about mental hygiene; we talk a lot about these other things, and the great bearer of this burden is the business community. If the business community isn't there, the people won't be there.

The business community is not going to stay unless we say we want to do something about the taxes and we do it now.

I vote yes.

SENATOR ONORATO: Mr. President.

ACTING PRESIDENT FARLEY: Senator Onorato to explain his vote.

SENATOR ONORATO: Mr. President, I had all intentions of voting for this particular bill until I got more of the details on it, and I'm probably almost as conservative as some of the members on the other side of the aisle, but when you're talking about a $700

million tax cut directed to only one segment of the public, it -- it turns me off, because I've been bombarded up here since the beginning of the session with people who are finding it very, very difficult to make ends meet, you know, the income tax rate that we're paying here, and the senior citizens need some assistance, and I think that we want to share the wealth around, but spread it around so everybody benefits from these tax cuts, not only one particular segment.

When you want to bring pain, you want to inflict it upon just a handful, and that's the poor. When you want to inflict some benefits, you want to inflict it upon the rich who least need it. So, but I want to try to mix it up a little bit. Let's everybody get a little piece of the pie; let's share all the tax increases fairly, but also let's share in the tax decreases fairly, so for this particular reason until a bill that comes onto this floor that addresses all of the segments of this great state of ours, I intend to vote no.

ACTING PRESIDENT FARLEY: Senator Paterson to explain his vote.

SENATOR PATERSON: Mr. President, I would heretofore define myself as an Onorato conservative. I agree completely with the conservatism that Mr. Onorato, Senator Onorato, has offered here today.

If we are going to be able to cut taxes now, we should cut them in a way that all citizens around the state fairly are able to realize that tax cut. In 1986, we experienced a windfall from the Federal Income Tax Act of 1986. It led to a $2.5 billion surplus in 1987. At that time, we deferred a lot of it in taxes. Senator Galiber and Senator Montgomery and I voted against that tax cut, because we thought that it would be a good idea to save money for a rainy day; in other words, to save money that would be understood that we were saving it as a state. And since 1987, we have lost $19 billion in -- in revenues because of the failing economy.

At that time we had had to

exhaust the New York State Council on the Arts. We had to exhaust the Division of Youth Services. We had to exhaust higher education funds, funds for victims of the HIV virus. If there's going to be any surplus now, I think we might want to think about whether or not we want to defer it in tax cuts. One of, I think, the first prerequisites for any cuts would be that all parties agree on how much of a surplus we have in the first place. Failing that, we've been able to reach that decision. I would vote no on this bill.

ACTING PRESIDENT FARLEY: Results.

THE SECRETARY: Those recorded in the negative on Calendar Number 471 are Senators Connor, Espada, Galiber, Gold, Kruger, Leichter, Markowitz, Mendez, Ohrenstein, Onorato, Paterson, Smith, Stavisky and Waldon. Ayes 43, nays 14.

ACTING PRESIDENT FARLEY: The bill is passed.

SENATOR DALY: Mr. President.

ACTING PRESIDENT FARLEY: Senator Daly for a motion.

SENATOR DALY: On behalf of Senator Holland, I offer the following amendments to Calendar Number 405, page 13, Senate Print Number 1457-A, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT FARLEY: Amendments are received; bill will retain its place on the Third Reading Calendar.

Are there any other motions on the floor? Seeing none, I recognize Senator Present.

SENATOR PRESENT: Mr. President, there being no further business, I move that we adjourn until tomorrow at 3:00 p.m.

ACTING PRESIDENT FARLEY: The Senate will stand adjourned until tomorrow at 3:00 p.m.

(Whereupon at 7:24 p.m., the Senate adjourned.)