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ALBANY, NEW YORK

March 29, 1994

3:39 p.m.

REGULAR SESSION

SENATOR HUGH T. FARLEY, Acting President

STEPHEN F. SLOAN, Secretary

1 P R O C E E D I N G S

2 ACTING PRESIDENT FARLEY: Senate
3 will come to order.

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

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

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

10 Pastor MacKinnon.

11 PASTOR PATRICIA MacKINNON:

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

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

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

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

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

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

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

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

1 unto Thee.

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

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

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

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

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

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

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

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

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

10 Amen.

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

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

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

22 The order of business:

23 Presentation of petitions.

1 Messages from the Assembly.
2 Messages from the Governor.
3 Reports of standing committees.
4 Reports of select committees.
5 Communications and reports from
6 state officers.
7 Motions and resolutions.
8 Senator DiCarlo.
9 SENATOR DiCARLO: Mr. President.
10 I offer the -- amendments are offered to the
11 following Third Reading Calendar bills:
12 Senator Levy, page 7, Calendar
13 265, 1707.
14 Senator Stafford, page 8,
15 Calendar 282, Senate Print 437.
16 Senator Holland, page 8, Calendar
17 301, 6309-A.
18 Senator Wright, page 15, Calendar
19 438, 6864.
20 Senator Cook, page 16, Calendar
21 445, 574.
22 Senator LaValle, page 16,
23 Calendar 448, 2487.

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

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

7 Senator Rath, do you have a
8 motion?

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

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

15 Thank you.

16 ACTING PRESIDENT FARLEY: Without
17 objection.

18 Senator Kuhl.

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

1 enacting clause: That is Senate Print 4912.

2 On behalf of Senator Hannon, I'd
3 move that the following bills be discharged from
4 their respective committees and be recommitted
5 with instructions to strike the enacting
6 clause: That's Senate Print 3752A, Senate Print
7 3841, Senate Print 4816.

8 ACTING PRESIDENT FARLEY: So
9 ordered, without objection.

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

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

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

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

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

1 (The Secretary called the roll on
2 reconsideration.)

3 THE SECRETARY: Ayes 38.

4 ACTING PRESIDENT FARLEY: The
5 bill is before the house.

6 SENATOR KUHL: Offer up the
7 following amendments.

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

11 SENATOR KUHL: Thank you.

12 ACTING PRESIDENT FARLEY: Senator
13 Spano.

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

19 Thank you.

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

23 Do you have a report?

1 SENATOR PRESENT: Mr. President.

2 Is there a report of a standing committee.

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

5 SENATOR PRESENT: May we have it
6 read, please.

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

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

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

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

20 Senator Present.

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

23 ACTING PRESIDENT FARLEY: Senator

1 Daly.

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

5 ACTING PRESIDENT FARLEY: I think
6 we do.

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

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

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

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

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

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

8 The fraternal organization of the
9 Blue Knights began a local club in 1974 and grew
10 to be an international organization with over
11 10,000 members throughout North America,
12 Australia, and Europe.

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

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

23 Now, therefore, be it resolved,

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

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

11 ACTING PRESIDENT FARLEY: Senator
12 Daly on the resolution.

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

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

23 (Applause.)

1 Now, we'll adopt the resolution.

2 All in favor of adopting the
3 resolutions, say aye.

4 (Response of "Aye.")

5 Those opposed, nay.

6 (There was no response.)

7 The resolution is adopted.

8 Thank you.

9 Senator Gold, do you have a
10 motion?

11 SENATOR GOLD: Mr. President.

12 ACTING PRESIDENT FARLEY: Senator
13 Gold.

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

17 SENATOR ESPADA: Thank you so
18 much.

19 ACTING PRESIDENT FARLEY: Senator
20 Espada.

21 SENATOR ESPADA: Mr. President.

22 I move that the following bills be discharged
23 from their respective committees and be

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

3 ACTING PRESIDENT FARLEY: Without
4 objection.

5 SENATOR ESPADA: Thank you.

6 ACTING PRESIDENT FARLEY: Any
7 other motions on the floor?

8 Senator Bruno.

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

18 Thank you, Mr. President.

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

22 (Applause.)

23 ACTING PRESIDENT FARLEY: Any

1 other motions on the floor? Any announcements
2 or introductions?

3 Senator Present.

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

7 ACTING PRESIDENT FARLEY:
8 Noncontroversial. The Secretary will read.

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

14 ACTING PRESIDENT FARLEY: Read
15 the last section.

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

18 ACTING PRESIDENT FARLEY: Call
19 the roll.

20 (The Secretary called the roll.)

21 THE SECRETARY: Ayes 47.

22 ACTING PRESIDENT FARLEY: The
23 bill is passed.

1 THE SECRETARY: Calendar Number
2 232, by Senator Holland, Senate Bill Number
3 1775B, an act to amend Chapter 942 of the Laws
4 of 1983.

5 ACTING PRESIDENT FARLEY: Read
6 the last section.

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

9 ACTING PRESIDENT FARLEY: Call
10 the roll.

11 (The Secretary called the roll.)

12 THE SECRETARY: Ayes 48.

13 ACTING PRESIDENT FARLEY: The
14 bill is passed.

15 THE SECRETARY: Calendar Number
16 364, by Senator Bruno, Senate Bill Number 6701A,
17 an act to amend to redistribute 1994 bonds
18 volume allocations.

19 ACTING PRESIDENT FARLEY: Read
20 the last section.

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

23 ACTING PRESIDENT FARLEY: Call

1 the roll.

2 (The Secretary called the roll.)

3 THE SECRETARY: Ayes 47. Nays

4 1. Senator Kuhl recorded in the negative.

5 ACTING PRESIDENT FARLEY: The
6 bill is passed.

7 THE SECRETARY: Calendar Number
8 400, by Member of the Assembly Brodsky, Assembly
9 Bill Number 9628A, Environmental Conservation
10 Law, in relation to the State Super Fund
11 Management Board.

12 ACTING PRESIDENT FARLEY: Read
13 the last section.

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

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

18 ACTING PRESIDENT FARLEY: Lay the
19 bill aside.

20 SENATOR DALY: Star the bill.

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

23 THE SECRETARY: Calendar Number

1 401, by Senator Skelos.

2 SENATOR PRESENT: Lay it aside
3 for the day.

4 ACTING PRESIDENT FARLEY: Lay it
5 aside for the day.

6 THE SECRETARY: Calendar Number
7 412, by Senator Johnson, Senate Bill Number
8 2326A, an act to amend the Navigation Law.

9 ACTING PRESIDENT FARLEY: Read
10 the last section.

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

13 ACTING PRESIDENT FARLEY: Call
14 the roll.

15 (The Secretary called the roll.)

16 THE SECRETARY: Ayes 48.

17 ACTING PRESIDENT FARLEY: The
18 bill is passed.

19 THE SECRETARY: Calendar Number
20 420, by Senator Wright, Senate Bill Number 7013,
21 State Administrative Procedure Act.

22 ACTING PRESIDENT FARLEY: Lay it
23 aside.

1 THE SECRETARY: Calendar Number
2 422, by Senator Holland, Senate Bill Number
3 177A, an act to amend the Vehicle and Traffic
4 Law.

5 ACTING PRESIDENT FARLEY: Read
6 the last section.

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

9 ACTING PRESIDENT FARLEY: Call
10 the roll.

11 (The Secretary called the roll.)

12 THE SECRETARY: Ayes 49.

13 ACTING PRESIDENT FARLEY: The
14 bill is passed.

15 THE SECRETARY: Calendar Number
16 423, by Senator Farley, Senate Bill Number -

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

19 ACTING PRESIDENT FARLEY: Lay the
20 bill aside for today.

21 THE SECRETARY: Calendar Number
22 425, by Senator Kuhl, Senate Bill Number 1813,
23 an act to amend the Tax Law.

1 ACTING PRESIDENT FARLEY: Read
2 the last section.

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

5 ACTING PRESIDENT FARLEY: Call
6 the roll.

7 (The Secretary called the roll.)

8 THE SECRETARY: Ayes 49.

9 ACTING PRESIDENT FARLEY: The
10 bill is passed.

11 THE SECRETARY: Calendar Number
12 427, by Senator Cook, Senate Bill Number 4326,
13 an act to named the Tax Law, in relation to
14 exemptions from sales and use taxes.

15 SENATOR LEICHTER: Lay it aside.

16 ACTING PRESIDENT FARLEY: Lay it
17 aside.

18 THE SECRETARY: Calendar Number
19 428, by Senator Bruno, Senate Bill Number 5736A,
20 Tax Law, in relation to inspection of tax
21 returns.

22 ACTING PRESIDENT FARLEY: Read
23 the last section.

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

3 ACTING PRESIDENT FARLEY: Call
4 the roll.

5 (The Secretary called the roll.)

6 THE SECRETARY: Ayes 49.

7 ACTING PRESIDENT FARLEY: The
8 bill is passed.

9 THE SECRETARY: Calendar Number
10 430, by Senator Levy, Senate Bill Number 72A, an
11 act to amend the Transportation Law.

12 ACTING PRESIDENT FARLEY: Read
13 the last section.

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

16 ACTING PRESIDENT FARLEY: Call
17 the roll.

18 (The Secretary called the roll.)

19 THE SECRETARY: Ayes 49.

20 ACTING PRESIDENT FARLEY: The
21 bill is passed.

22 SENATOR GOLD: Mr. President.

23 ACTING PRESIDENT FARLEY: Yes.

1 SENATOR GOLD: Did we pass over
2 429?

3 ACTING PRESIDENT FARLEY: That
4 was starred, earlier.

5 That bill is passed, 430.

6 THE SECRETARY: Calendar Number
7 431, by Senator Levy, Senate Bill Number 73,
8 Vehicle and Traffic Law, in relation to
9 pedestrian right of way in crosswalks.

10 ACTING PRESIDENT FARLEY: Read
11 the last section.

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

14 ACTING PRESIDENT FARLEY: Call
15 the roll.

16 (The Secretary called the roll.)

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

20 ACTING PRESIDENT FARLEY: The
21 bill is passed.

22 THE SECRETARY: Calendar Number
23 436, by Senator Trunzo, Senate Bill Number

1 5974A, Highway Law, in relation to designating a
2 portion of the state highway system in Suffolk
3 County.

4 ACTING PRESIDENT FARLEY: Read
5 the last section.

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

8 ACTING PRESIDENT FARLEY: Call
9 the roll.

10 (The Secretary called the roll.)

11 THE SECRETARY: Ayes 49.

12 ACTING PRESIDENT FARLEY: The
13 bill is passed.

14 THE SECRETARY: Calendar Number
15 437, by Senator DiCarlo, Senate Bill Number
16 6807.

17 SENATOR GOLD: Lay it aside.

18 ACTING PRESIDENT FARLEY: Lay it
19 aside.

20 THE SECRETARY: Calendar Number
21 439, by Senator Seward, Senate Bill Number 6962,
22 Highway Law, in relation to designating State
23 Route 5S as the Erie Canal Trail.

1 ACTING PRESIDENT FARLEY: Read
2 the last section.

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

5 ACTING PRESIDENT FARLEY: Call
6 the roll.

7 (The Secretary called the roll.)

8 THE SECRETARY: Ayes 49.

9 ACTING PRESIDENT FARLEY: The
10 bill is passed.

11 THE SECRETARY: Calendar Number
12 440, by Senator Tully, Senate Bill Number 781,
13 authorizing and directing the Commissioner of
14 Office of General Services to erect a suitable
15 marked monument.

16 ACTING PRESIDENT FARLEY: Read
17 the last section.

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

20 ACTING PRESIDENT FARLEY: Call
21 the roll.

22 (The Secretary called the roll.)

23 THE SECRETARY: Ayes 49.

1 ACTING PRESIDENT FARLEY: The
2 bill is passed.

3 THE SECRETARY: Calendar Number
4 441, by Senator Farley, Senate Bill Number
5 2192A, an act to amend the Civil Service Law and
6 the Executive Law.

7 ACTING PRESIDENT FARLEY: Read
8 the last section.

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

11 ACTING PRESIDENT FARLEY: Call
12 the roll.

13 (The Secretary called the roll.)

14 THE SECRETARY: Ayes 49.

15 ACTING PRESIDENT FARLEY: The
16 bill is passed.

17 THE SECRETARY: Calendar Number
18 442, by Senator DeFrancisco, Senate Bill Number
19 3952A, an act to amend the Parks, Recreation and
20 Historic Preservation Law.

21 ACTING PRESIDENT FARLEY: Read
22 the last section.

23 THE SECRETARY: Section 2. This

1 act shall take effect immediately.

2 ACTING PRESIDENT FARLEY: Call
3 the roll.

4 (The Secretary called the roll.)

5 THE SECRETARY: Ayes 49.

6 ACTING PRESIDENT FARLEY: The
7 bill is passed.

8 THE SECRETARY: Calendar Number
9 443, by Senator Maltese, Senate Bill Number
10 6682, Education Law, in relation to student aid
11 programs for Vietnam veterans.

12 ACTING PRESIDENT FARLEY: Read
13 the last section.

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

16 ACTING PRESIDENT FARLEY: Call
17 the roll.

18 (The Secretary called the roll.)

19 THE SECRETARY: Ayes 49.

20 ACTING PRESIDENT FARLEY: The
21 bill is passed.

22 THE SECRETARY: Calendar Number
23 444, by Senator DiCarlo, Senate Bill Number

1 7135, an act to amend Chapter 888 of the Laws of
2 1990.

3 SENATOR GOLD: Last section.

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

6 SENATOR GOLD: Last section.

7 ACTING PRESIDENT FARLEY: Read
8 the last section.

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

11 ACTING PRESIDENT FARLEY: Call
12 the roll.

13 (The Secretary called the roll.)

14 THE SECRETARY: Ayes 49.

15 ACTING PRESIDENT FARLEY: The
16 bill is passed.

17 THE SECRETARY: Calendar Number
18 446, by Senator Saland, Senate Bill Number 686A,
19 an act to amend the Real Property Tax Law.

20 ACTING PRESIDENT FARLEY: Read
21 the last section.

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

1 ACTING PRESIDENT FARLEY: Call
2 the roll.

3 (The Secretary called the roll.)

4 THE SECRETARY: Ayes 49.

5 ACTING PRESIDENT FARLEY: The
6 bill is passed.

7 THE SECRETARY: Calendar Number
8 447, by Senator Present, Senate Bill Number
9 2222, amends Chapter 263 of the Laws of 1981.

10 ACTING PRESIDENT FARLEY: Read
11 the last section.

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

14 ACTING PRESIDENT FARLEY: Call
15 the roll.

16 (The Secretary called the roll.)

17 THE SECRETARY: Ayes 49.

18 ACTING PRESIDENT FARLEY: The
19 bill is passed.

20 THE SECRETARY: Calendar Number
21 449, by Senator Lack, Senate Bill Number 3713,
22 an act to amend the Town Law.

23 ACTING PRESIDENT FARLEY: Read

1 the last section.

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

4 ACTING PRESIDENT FARLEY: Call
5 the roll.

6 (The Secretary called the roll.)

7 THE SECRETARY: Ayes 49.

8 ACTING PRESIDENT FARLEY: The
9 bill is passed.

10 THE SECRETARY: Calendar Number
11 450, by Senator Marino, Senate Bill Number 3827,
12 an act to amend the General Municipal Law.

13 ACTING PRESIDENT FARLEY: Read
14 the last section.

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

17 ACTING PRESIDENT FARLEY: Call
18 the roll.

19 (The Secretary called the roll.)

20 THE SECRETARY: Ayes 49.

21 ACTING PRESIDENT FARLEY: The
22 bill is passed.

23 THE SECRETARY: Calendar Number

1 452, by Senator Saland, Senate Bill Number
2 5372A, an act to amend the Town Law.

3 ACTING PRESIDENT FARLEY: Read
4 the last section.

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

7 ACTING PRESIDENT FARLEY: Call
8 the roll.

9 (The Secretary called the roll.)

10 THE SECRETARY: Ayes 49.

11 ACTING PRESIDENT FARLEY: The
12 bill is passed.

13 THE SECRETARY: Calendar Number
14 453, by Senator Libous, Senate Bill Number
15 5691A, an act to amend the Real Property Tax
16 Law, in relation to real property tax exemption
17 for clergy.

18 ACTING PRESIDENT FARLEY: Read
19 the last section.

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

22 ACTING PRESIDENT FARLEY: Call
23 the roll.

1 (The Secretary called the roll.)

2 THE SECRETARY: Ayes 49.

3 ACTING PRESIDENT FARLEY: The
4 bill is passed.

5 THE SECRETARY: Calendar Number
6 454, by Senator Skelos, Senate Bill Number 6317,
7 amends Chapter 627 of the Laws of 1993.

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

10 Read the last section.

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

13 ACTING PRESIDENT FARLEY: Call
14 the roll.

15 (The Secretary called the roll.)

16 THE SECRETARY: Ayes 49.

17 ACTING PRESIDENT FARLEY: The
18 bill is passed.

19 THE SECRETARY: Calendar Number
20 456, by Senator Kuhl, Senate Bill Number 6514,
21 dissolution of Sewer District Number 1 in the
22 Town of Elmira.

23 ACTING PRESIDENT FARLEY: Read

1 the last section.

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

4 ACTING PRESIDENT FARLEY: Call
5 the roll.

6 (The Secretary called the roll.)

7 THE SECRETARY: Ayes 49.

8 ACTING PRESIDENT FARLEY: The
9 bill is passed.

10 THE SECRETARY: Calendar Number
11 457, by Senator Cook, Senate Bill Number 6625,
12 making certain findings and determinations with
13 respect to a temporary advance of monies.

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

16 You can read the last section.

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

19 ACTING PRESIDENT FARLEY: Call
20 the roll.

21 (The Secretary called the roll.)

22 THE SECRETARY: Ayes 50.

23 ACTING PRESIDENT FARLEY: The

1 bill is passed.

2 THE SECRETARY: Calendar Number
3 459, by Senator Nozzolio, Senate Bill Number
4 6818A, amends Chapter 615 of the Laws of 1992,
5 establishing a public library district.

6 ACTING PRESIDENT FARLEY: Read
7 the last section.

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

10 ACTING PRESIDENT FARLEY: Call
11 the roll.

12 (The Secretary called the roll.)

13 THE SECRETARY: Ayes 50.

14 ACTING PRESIDENT FARLEY: The
15 bill is passed.

16 THE SECRETARY: Calendar Number
17 460, by Senator Larkin, Senate Bill Number 6821,
18 to establish a library district in the Town of
19 Monroe, Orange County.

20 ACTING PRESIDENT FARLEY: Read
21 the last section.

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

1 ACTING PRESIDENT FARLEY: Call
2 the roll.

3 (The Secretary called the roll.)

4 THE SECRETARY: Ayes 50.

5 ACTING PRESIDENT FARLEY: The
6 bill is passed.

7 THE SECRETARY: Calendar Number
8 461, by Senator Bruno, Senate Bill Number 5870,
9 authorize the Town of Clifton Park, Saratoga
10 County, to employ town constables.

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

13 Read the last section.

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

16 ACTING PRESIDENT FARLEY: Call
17 the roll.

18 (The Secretary called the roll.)

19 THE SECRETARY: Ayes 50.

20 ACTING PRESIDENT FARLEY: The
21 bill is passed.

22 THE SECRETARY: Calendar Number
23 462, by Senator Larkin, Senate Bill 7067B, an

1 act to amend the Local Finance Law.

2 SENATOR GOLD: Lay it aside.

3 ACTING PRESIDENT FARLEY: Lay it
4 aside.

5 THE SECRETARY: Calendar Number
6 471, reported earlier direct to third reading,
7 by Senator Marino, Senate Bill Number 7246, an
8 act to amend the Tax Law.

9 SENATOR GOLD: Explanation.

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

13 SENATOR PRESENT: No. Lay it
14 aside.

15 ACTING PRESIDENT FARLEY: Lay it
16 aside.

17 That is the the first time
18 through.

19 SENATOR PRESENT: Controversial
20 calendar.

21 ACTING PRESIDENT FARLEY:
22 Controversial. Page 13.

23 THE SECRETARY: Calendar Number

1 420, by Senator Wright, Senate Bill Number 7013,
2 an act to amend the State Administrative
3 Procedure Act and the Executive Law.

4 ACTING PRESIDENT FARLEY: Read
5 the last section.

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

8 ACTING PRESIDENT FARLEY: Call
9 the roll.

10 (The Secretary called the roll.)

11 THE SECRETARY: Ayes 50.

12 ACTING PRESIDENT FARLEY: The
13 bill is passed.

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

16 SENATOR GOLD: Last section.

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

20 ACTING PRESIDENT FARLEY: Read
21 the last section.

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

1 ACTING PRESIDENT FARLEY: Call
2 the roll.

3 (The Secretary called the roll.)

4 THE SECRETARY: Ayes 50.

5 ACTING PRESIDENT FARLEY: The
6 bill is passed.

7 THE SECRETARY: Calendar Number
8 437, by Senator DiCarlo, Senate Bill Number
9 6807, an act to amend the Vehicle and Traffic
10 Law, in relation to making technical
11 corrections.

12 ACTING PRESIDENT FARLEY: Read
13 the last section.

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

16 ACTING PRESIDENT FARLEY: Call
17 the roll.

18 (The Secretary called the roll.)

19 THE SECRETARY: Ayes 50.

20 ACTING PRESIDENT FARLEY: The
21 bill is passed.

22 THE SECRETARY: Calendar Number
23 462, by Senator Larkin, Senate Bill Number

1 7067B, an act to amend the Local Finance Law.

2 SENATOR GOLD: Mr. President.

3 ACTING PRESIDENT FARLEY: Senator
4 Gold.

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

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

10 SENATOR LARKIN: Yes.

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

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

23 SENATOR GOLD: Will the Senator

1 yield to a question?

2 SENATOR LARKIN: Yes.

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

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

10 SENATOR GOLD: Will Senator yield
11 to one more question?

12 SENATOR LARKIN: Yes, Senator.

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

19 SENATOR LARKIN: Yes, Senator.

20 SENATOR GOLD: Yeah, all right.

21 Mr. President.

22 ACTING PRESIDENT FARLEY: Senator
23 Gold.

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

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

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

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

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

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

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

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

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

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

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

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

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

23 So this is the first of many

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

9 ACTING PRESIDENT FARLEY: On the
10 amendment. Senator Larkin.

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

20 SENATOR GOLD: Mr. President.

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

23 SENATOR GOLD: Oh, of course.

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

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

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

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

1 localities we represent.

2 ACTING PRESIDENT FARLEY: On the
3 amendment.

4 SENATOR GOLD: Party vote in the
5 affirmative.

6 SENATOR PRESENT: Party vote in
7 the negative.

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

10 (The Secretary called the roll.)

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

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

15 Read the last section of the
16 bill.

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

19 ACTING PRESIDENT FARLEY: Call
20 the roll.

21 (The Secretary called the roll.)

22 SENATOR GOLD: Mr. President.

23 ACTING PRESIDENT FARLEY: Senator

1 Gold.

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

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

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

23 So we are telling our

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

9 I vote in the negative.

10 ACTING PRESIDENT FARLEY:

11 Results.

12 THE SECRETARY: Ayes 52.

13 ACTING PRESIDENT FARLEY: No.

14 Negatives raise their hand.

15 THE SECRETARY: Ayes 48. Nays

16 4. Senators Galiber, Gold, Mendez and Stavisky
17 recorded in the negative.

18 ACTING PRESIDENT FARLEY: The
19 bill is passed.

20 THE SECRETARY: Calendar Number
21 471, by Senator Marino, Senate Bill Number 7246,
22 an act to amend the Tax Law.

23 SENATOR GOLD: Explanation.

1 ACTING PRESIDENT FARLEY:

2 Explanation. Senator Stafford.

3 SENATOR STAFFORD: Thank you, Mr.
4 President.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 Now, what have we done with
8 corporate taxes? What we have done is we have
9 reduced them, and we completely phase out the
10 corporate surtax, and the surtax would drop to
11 10 percent effective January '94; and then '95,
12 they would go to zero. That is a major, major
13 provision, obviously.

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

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

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

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

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

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

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

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

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

23 It would also exempt commercial

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

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

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

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

1 concerned. We effectively adopt the federal
2 pickup to increase the state tax exemptions for
3 small family-owned firms that can be swallowed
4 up by the current law. Our plan would eliminate
5 the New York estate tax for estates valued over
6 175,000.

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

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

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

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

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

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

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

1 rather than seek social services support. The
2 credit would be set at 5 percent of the federal
3 credit for 1994 and increase to 10 percent in
4 1995. I would add that certainly makes a great
5 deal of sense, and I think we find some public
6 officials in other areas of government that are
7 supporting that suggestion.

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

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

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

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

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

6 ACTING PRESIDENT FARLEY: Senator
7 Bruno.

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

10 SENATOR BRUNO: Mr. President.
11 Am I up?

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

14 ACTING PRESIDENT FARLEY: Senator
15 Galiber.

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

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

23 SENATOR BRUNO: Yes, Mr.

1 President. Of course.

2 SENATOR GALIBER: Don't hesitate
3 so long.

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

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

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

16 For anyone within the sound of my
17 voice to suggest that we do not recognize on
18 this side of the aisle that the Mid-Hudson IBM
19 has lost out in that particular area or to
20 consider that California has lost over some
21 600,000 jobs over a period of time, for us to
22 suggest that this state is in bad shape, we
23 recognize that. But there comes a time in

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 have no substance to it.

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

12 And how did it happen? I will
13 tell you how it happened. It happened as it
14 usually happens here, when we get close to the
15 end of negotiations, which we hope would be
16 today or tomorrow. All of a sudden, we find out
17 what about education? Can't we add a little
18 more to education? Can't we add a little more
19 to localities? "Shouldn't we be talking perhaps
20 about revenue sharing?" someone suggests. A
21 revenue sharing formula that shouldn't be at 8
22 is down to 1.6, was a billion-point... now to
23 \$498 million. Shouldn't we talk about that

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

3 This bill, as proposed, makes no
4 allowances for the 70 or more bills that your
5 side of the aisle has in terms of taxes.
6 70-some-odd bills. We will offer, on this side,
7 a number of amendments to draw to the attention
8 of how ludicrous this procedure is and how
9 careful it was planned in a political year.

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

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

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

5 Senator, will you yield for a
6 couple of questions?

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

10 SENATOR STAFFORD: Yes.

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

14 SENATOR STAFFORD: Don't bother.

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

1 What are we going to do if we
2 pass this piece of legislation with an accepted
3 450 million in additional revenue allocated
4 either to tax cuts or additional spending? What
5 sort of relief will we be giving to the
6 counties, cities, towns and the school districts
7 immediately, not long range?

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

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

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

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

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

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

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

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

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

13 SENATOR STAFFORD: I've got them
14 all.

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

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

22 Mr. President.

23 ACTING PRESIDENT FARLEY: Yes,

1 Senator.

2 SENATOR GALIBER: Senator yield?

3 ACTING PRESIDENT FARLEY: Senator
4 Galiber?

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

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

13 SENATOR STAFFORD: Well, I -

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

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

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

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

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

23 SENATOR STAFFORD: Let me answer.

1 SENATOR GALIBER: Sure.

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

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

11 Would you yield for another
12 question?

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

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

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

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

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

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

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

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

14 Thank you, Mr. President.

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

19 Senator Goodman, why do you rise?

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

23 ACTING PRESIDENT FARLEY: Would

1 you yield to Senator Goodman, Senator Galiber?

2 SENATOR GOLD: Point of order.

3 Point of order.

4 ACTING PRESIDENT FARLEY: Who is
5 asking?

6 SENATOR GOLD: Point of order.

7 ACTING PRESIDENT FARLEY: Senator
8 Gold.

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

14 ACTING PRESIDENT FARLEY: That's
15 true.

16 SENATOR GOLD: And he has the
17 floor.

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

21 SENATOR GOLD: Thank you.

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

1 What's your choice, Senator
2 Bruno?

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

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

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

14 (Laughter.)

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

17 SENATOR BRUNO: Thank you.

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

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

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

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

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

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

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

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

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

1 Well, just take the surcharge loan, the 10
2 percent surcharge. Present law establishes
3 today that January 1, 1994, the surcharge that
4 we put on at 15 percent goes to 10 percent.
5 Present law says it's 10 percent now, and it
6 disappears next year. The Governor's /AOE
7 proposal in his budget for tax cuts is to take
8 the surcharge back to 15 percent, then cut it to
9 12-1/2, take it to 10 next year and permanentize
10 it. It is absolutely ridiculous in its
11 concept.

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

23 So I'm asking, Mr. President,

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

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

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

18 SENATOR GOLD: Mr. President.

19 ACTING PRESIDENT FARLEY: Senator
20 Gold.

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

1 ACTING PRESIDENT FARLEY: Senator
2 Bruno?

3 SENATOR BRUNO: Yes, Senator
4 Gold.

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

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

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

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

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

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

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

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

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

14 SENATOR GOLD: I have the floor.

15 ACTING PRESIDENT FARLEY: You are
16 next on the floor.

17 SENATOR GOLD: Yes, thanks.

18 ACTING PRESIDENT FARLEY: All
19 right. Go ahead.

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

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

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

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

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

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

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

3 Senator Bruno, if you want to
4 explain my amendment, it's your bill, Senate
5 965, which suggests that we give back \$50
6 million to persons 65 years of age or older
7 living on fixed incomes. And why don't you
8 explain, Senator, why we shouldn't have that \$50
9 million going to senior citizens rather than
10 partially some of the money in this tax bill?

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

13 SENATOR GOLD: Will Senator yield
14 to a question?

15 SENATOR BRUNO: Yes.

16 SENATOR GOLD: Yes, Senator,
17 explain to us. My amendment is your bill,
18 Senate 965, which would give \$50 million relief
19 to people 65 years or older. Senator, why
20 shouldn't we go for this amendment right now
21 that you have introduced as a bill? We've got
22 extra money around. What's wrong with out of
23 700 million helping the senior citizens for \$50

1 million?

2 SENATOR BRUNO: Are you proposing
3 that as an amendment?

4 SENATOR GOLD: Yes.

5 SENATOR BRUNO: Sending that
6 amendment up?

7 SENATOR GOLD: Yes.

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

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

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

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

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

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

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

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

3 But politics being what they are,
4 I and others like me are going to stay with the
5 program, and the program is you either support
6 taking this surplus and giving it back to the
7 people that it belongs to in this state to help
8 stimulate the economy and create jobs or you are
9 not; and, if you want to spend it, I'll give you
10 \$3 billion worth of places to spend it that are
11 all well intentioned and worthwhile, but we
12 don't have the 3 billion. We're dealing in
13 priorities.

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

21 SENATOR GOLD: Mr. President.

22 ACTING PRESIDENT FARLEY: Senator
23 Gold.

1 SENATOR GOLD: Will Senator Bruno
2 yield to a question?

3 SENATOR BRUNO: Yes, Senator.

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

7 You said, Senator, that if we've
8 got all this money, we should give it back to
9 the people it belongs to. Now, my amendment
10 recognizes people 65 years of age or older, and
11 \$50 million. Don't you think some of the money
12 belongs to them, Senator?

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

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

21 ACTING PRESIDENT FARLEY: On the
22 amendment, Senator Gold.

23 SENATOR GOLD: Senator Bruno, you

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

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

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

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

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

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

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

15 SENATOR DALY: Mr. President.

16 ACTING PRESIDENT FARLEY: I'm
17 sorry.

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

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

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

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

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

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

19 SENATOR GOLD: My pleasure.

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

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

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

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

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

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

12 SENATOR DALY: Mr. President.

13 ACTING PRESIDENT FARLEY: Senator
14 Daly.

15 SENATOR DALY: Will Senator yield
16 to another question?

17 SENATOR GOLD: Yes.

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

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

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

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

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

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

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

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

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

9 SENATOR DALY: Mr. President.

10 Would the Senator yield for another question?

11 ACTING PRESIDENT FARLEY: Would
12 you yield for another question?

13 SENATOR GOLD: Yes.

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

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

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

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

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

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

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

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

8 SENATOR DALY: Mr. President.

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

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

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

1 the localities? I mean its -

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

4 SENATOR DALY: I want Senator to
5 yield again.

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

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

16 SENATOR GOLD: Republicans? Yes.

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

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

1 Senator Gold -

2 SENATOR GOLD: Is this a
3 question?

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

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

12 ACTING PRESIDENT FARLEY: Senator
13 Gold.

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

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

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

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

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

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

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

1 trip over but some Republican with a press
2 release.

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

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

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

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

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

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

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

10 Go ahead. Senator Dollinger.

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

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

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

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

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

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

21 SENATOR GOLD: Roll call, Mr.
22 President.

23 ACTING PRESIDENT FARLEY: Party

1 vote?

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

4 ACTING PRESIDENT FARLEY: Do you
5 want a party vote?

6 SENATOR PRESENT: Party vote in
7 the negative.

8 ACTING PRESIDENT FARLEY: Party
9 vote in the negative.

10 SENATOR GOLD: Party vote in the
11 affirmative.

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

14 (The Secretary called the roll.)

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

17 ACTING PRESIDENT FARLEY: The
18 amendment fails.

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

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

23 SENATOR GOLD: I do. This

1 amendment -

2 ACTING PRESIDENT FARLEY: We
3 don't have it.

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

6 ACTING PRESIDENT FARLEY: We have
7 amendments -

8 SENATOR GOLD: Pick one.

9 ACTING PRESIDENT FARLEY: -- but
10 not from you.

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

14 ACTING PRESIDENT FARLEY: We have
15 one.

16 SENATOR GOLD: Thank you.

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

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

22 SENATOR GOLD: Thank you very
23 much.

1 Mr. President. This bill is
2 fashioned after Senator LaValle's bill; and
3 basically what it would do is increase the
4 income limitations and tax credit for real
5 property tax circuit breaker credit and provide
6 circuit breaker legislation to include disabled
7 citizens to persons 65 years of age. It would
8 increase the household gross income from 36,000,
9 increase property value limitations to \$175,000
10 and increase the monthly rent limitation to
11 \$900,000. It would double the credit limitation
12 presently allowed.

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

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

9 But I would move this amendment.
10 ACTING PRESIDENT FARLEY: On the
11 amendment.

12 SENATOR GOLD: Roll call, Mr.
13 President.

14 ACTING PRESIDENT FARLEY: Party
15 vote, Senator Present?

16 SENATOR PRESENT: Party vote in
17 the negative.

18 ACTING PRESIDENT FARLEY: Party
19 vote in the negative.

20 SENATOR GOLD: Mr. President.

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

23 (Secretary called the roll.)

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

3 ACTING PRESIDENT FARLEY: The
4 amendment is not agreed to.

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

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

11 Okay. Yes, we have it.

12 SENATOR GOLD: Good. Senator
13 Hannon's bill 6908. And according to Senator
14 Hannon, this legislation which has no fiscal
15 implications in '94, but in '95 would be worth
16 145 million would establish a pro-work, pro
17 family tax policy by implementing a refundable
18 personal income tax credit for low and middle
19 income wage earners with children.

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

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

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

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

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

1 doing what is right.

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

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

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

15 SENATOR GOLD: Yes.

16 ACTING PRESIDENT FARLEY: Senator
17 Gold.

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

1 families?

2 SENATOR GOLD: Yes.

3 SENATOR DOLLINGER: And with that
4 \$140 million, they would go out and buy goods
5 and services in this state and generate economic
6 activities through those purses; isn't that
7 correct?

8 SENATOR GOLD: Yes.

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

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

23 SENATOR DOLLINGER: I have

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

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

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

9 SENATOR PRESENT: Party vote in
10 the negative.

11 (Secretary called the roll.)

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

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

16 ACTING PRESIDENT FARLEY: The
17 motion is defeated.

18 SENATOR GOLD: Thank you. I have
19 another amendment, which is similar to a fine
20 idea introduced by Senator Johnson in his bill
21 1110, and I would yield to Senator Dollinger to
22 explain the amendment.

23 ACTING PRESIDENT FARLEY: Senator

1 Dollinger.

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

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

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

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

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

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

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

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

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

15 Mr. President. I move the
16 amendment.

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

20 SENATOR PRESENT: Party vote in
21 the negative.

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

1 SENATOR GOLD: Party vote.

2 ACTING PRESIDENT FARLEY: Party
3 vote. Call the roll.

4 (Secretary called the roll.)

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

7 ACTING PRESIDENT FARLEY: The
8 amendment is not agreed to.

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

14 ACTING PRESIDENT FARLEY: He is
15 not in the area.

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

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

22 SENATOR GOLD: Yes, Senate 5450.

23 ACTING PRESIDENT FARLEY: We have

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

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

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

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

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

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

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

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

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

3 ACTING PRESIDENT FARLEY: Senator
4 Waldon.

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

8 SENATOR GOLD: Yes, of course,
9 sir.

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

15 SENATOR GOLD: Yes, sir.

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

23 SENATOR GOLD: Oh, absolutely,

1 Senator.

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

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

11 SENATOR GOLD: I would certainly
12 hope so, Senator.

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

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

17 SENATOR WALDON: One more.

18 ACTING PRESIDENT FARLEY: One
19 more question for you.

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

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

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

9 SENATOR WALDON: Thank you, Mr.
10 President.

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

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

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

1 Senator Stavisky, tracks the Pataki bill.

2 SENATOR STAVISKY: Thank you very
3 much.

4 ACTING PRESIDENT FARLEY: Senator
5 DeFrancisco.

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

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

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

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

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

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

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

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

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

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

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

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

16 SENATOR DeFRANCISCO: Mr.
17 President.

18 ACTING PRESIDENT FARLEY: Senator
19 DeFrancisco.

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

1 amendments?

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

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

14 SENATOR DeFRANCISCO: All right.
15 Another question, please.

16 ACTING PRESIDENT FARLEY: Senator
17 DeFrancisco.

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

23 SENATOR GOLD: If they were put

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

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

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

16 ACTING PRESIDENT FARLEY: I'm
17 sure he will.

18 SENATOR GOLD: Pleasure.

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

22 SENATOR GOLD: I thought it was a
23 good answer.

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

4 SENATOR GOLD: Not.

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

7 SENATOR GOLD: Six.

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

11 SENATOR GOLD: Yes.

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

16 SENATOR GOLD: No, not
17 necessarily.

18 SENATOR DeFRANCISCO: It's not?

19 SENATOR GOLD: No.

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

23 SENATOR GOLD: Number 1, Senator,

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

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

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

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

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

19 SENATOR ONORATO: Mr. President.

20 ACTING PRESIDENT FARLEY: Oh,
21 Senator Onorato.

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

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

3 ACTING PRESIDENT FARLEY: Would
4 you yield to Senator Onorato?

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

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

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

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

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

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

13 SENATOR GOLD: Piece of cake.

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

19 SENATOR GOLD: Yes.

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

1 beneficiaries of that?

2 SENATOR GOLD: No doubt about it,
3 Senator.

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

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

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

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

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

11 SENATOR GOLD: Roll call.

12 SENATOR PRESENT: Party vote in
13 the negative.

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

16 SENATOR GOLD: With exceptions.

17 (Secretary called the roll.)

18 ACTING PRESIDENT FARLEY: There's
19 several exceptions here.

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

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

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

9 ACTING PRESIDENT FARLEY: Raise
10 your hand, exceptions.

11 (The Secretary called the roll.)

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

14 ACTING PRESIDENT FARLEY: The
15 amendment is not agreed to.

16 SENATOR GOLD: Thank you, Mr.
17 President.

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

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

1 for income tax purposes.

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

5 SENATOR DOLLINGER: Under this
6 amendment, the current standard deduction for a
7 couple filing jointly for -- would jump from
8 \$9500 to \$10,800 and for someone filing for
9 single income tax return, would jump from \$6,000
10 to \$6600.

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

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

23 Let's find that little crumb for

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

8 Mr. President, I move the
9 amendment.

10 ACTING PRESIDENT FARLEY: Call
11 the roll.

12 SENATOR GOLD: Party vote.

13 SENATOR PRESENT: Party vote in
14 the negative.

15 ACTING PRESIDENT FARLEY: Party
16 vote, with exceptions.

17 THE SECRETARY: Exceptions.

18 ACTING PRESIDENT FARLEY: Senator
19 Leichter is an exception.

20 (The Secretary called the roll.)

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

23 SENATOR GOLD: Mr. President.

1 ACTING PRESIDENT FARLEY: The
2 motion is not agreed to.

3 Senator Gold.

4 SENATOR GOLD: Yeah. Mr.
5 President, I have a couple others, one which
6 would exempt the first \$500 of interest tax and
7 interest income from taxes, and I have some
8 others, but I can see it's trending. I think
9 I'll -- it was not an easy trend to find right
10 away; but let me say this, Mr. President, in
11 answer to the gentleman from Syracuse, the
12 Republican Party chose today to put out on the
13 table its answer to what it would do if we had
14 \$700 million to give back, and they would give
15 it back to one place. If you want to have a
16 Democratic day, we could do that. You want to
17 give us tomorrow, and we'll put out the
18 Democratic answer to what we would do if there
19 is that money around, and we would be as willing
20 to waste two hours of your time as you wasted
21 two hours of our time. None of this means too
22 much, because we're not at the table and, if we
23 were at the table and we were talking about the

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

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

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

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

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

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

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

11 I remember -- I remember last
12 week, somebody asked Senator Ohrenstein whether
13 or not we were going to have a budget by January
14 20 -- by March 24th, because that was all the
15 publicity that all of you people were throwing
16 out. March 24th, oh, we're going to be early
17 this year. Senator Ohrenstein said, "There
18 can't be a budget." Somebody said, "Why?" He
19 said, "Well, we haven't had the fight yet."
20 Said, "What are you talking about, fight?" "We
21 can't pass the budget without a fight, and we
22 haven't had the fight yet because the
23 Republicans haven't put out their balloon and

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

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

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

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

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

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

1 place.

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

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

23 And you know something funny? I

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

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

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

23 ACTING PRESIDENT FARLEY: Senator

1 DeFrancisco.

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

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

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

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

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

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

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

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

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

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

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

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

18 ACTING PRESIDENT FARLEY: Thank
19 you.

20 Senator Goodman.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 today.

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

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

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

6 In 1991, W.R. Grace moved its
7 500 headquarters employees from New York's 42nd
8 Street to Boca Raton, Florida. An executive
9 said, and mark it well, "With nearly 8 percent
10 in state income taxes and 4 percent in city
11 taxes, everyone here got a 12 percent raise on
12 the day we moved to Boca Raton." Not bad, a 12
13 percent raise for the privilege of moving out of
14 New York, but tragically reflective of a
15 counterproductive policy on our part.

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

23 So the real question becomes, do

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

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

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

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

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

6 The fact is that the nationwide
7 per capita taxation comes to \$2900 in round
8 numbers. In the state of New York, our state
9 and local taxes come to \$4300, 4300 versus
10 2900. That's a pretty dreary comparison.

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

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

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

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

23 These are the blandishments, my

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

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

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

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

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

18 ACTING PRESIDENT FARLEY: Senator
19 Galiber.

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

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

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

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

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

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

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

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

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

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

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

12 Senator Leichter.

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

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

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

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

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

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

1 available. That's what got us in trouble.

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

7 SENATOR GOODMAN: Will the
8 Senator yield?

9 SENATOR LEICHTER: Yes.

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

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

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

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

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

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

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

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

13 SENATOR GOODMAN: Mr. President.

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

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

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

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

22 SENATOR LEICHTER: I will,
23 Senator.

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

6 Senator, that's roughly \$700
7 million at best and, by the way, the Governor
8 has not agreed to that additional \$400 million
9 figure. The comptroller of the state of New
10 York has not agreed to that additional figure.
11 So by accepting that figure of 400 million and
12 giving you another hundred million or another
13 120 million, Senator, how can you have a \$700
14 million tax cut and at the same time have money
15 left over for the Medicaid pick-up which is so
16 important to your city and my city, and I -- I
17 believe -- I believe you favor it, but, Senator,
18 you can't do all things, and if we -- if there's
19 been a bit of derision here, and maybe Senator
20 Gold has been a bit hard in his language, but
21 Senator, frankly, listening to some of the
22 things that have been said here and looking at
23 this proposal, it invites derision. Derision

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

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

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

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

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

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

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

5 I asked the Tax Department to
6 give me some figures. In 1982, 52 percent-point
7 47 of the state's revenue came from the income
8 tax. 15.60 percent came from the business tax
9 and by 1990, Senator Bruno, listen, I mean I
10 know this has mainly been an anecdotal exercise
11 and an exercise in mysticism, so maybe it's
12 unfair for me to throw out figures, but let me
13 -- let me throw them out anyhow. You might be
14 interested.

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

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

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

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

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

12 SENATOR LEICHTER: Sure.

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

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

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

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

1 SENATOR BRUNO: Yes.

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

4 SENATOR GOLD: He said yes? No.

5 ACTING PRESIDENT FARLEY: He said
6 yes.

7 SENATOR GOLD: No.

8 SENATOR PRESENT: And Senator
9 Pataki.

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

12 SENATOR PATAKI: Yes.

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

15 SENATOR PRESENT: Close the roll
16 call and continue.

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

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

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

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

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

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

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

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

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

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

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

15 ACTING PRESIDENT FARLEY: Senator
16 Dollinger.

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

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

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

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

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

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

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

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

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

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

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

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

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

9 ACTING PRESIDENT FARLEY: All
10 right. Senator Daly.

11 SENATOR DALY: Thank you, Mr.
12 President.

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

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

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

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

23 So he, as I said, Senator Gold

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

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

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

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

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

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

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

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

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

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

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

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

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

1 broader.

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

5 ACTING PRESIDENT FARLEY: Senator
6 Rath.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 ACTING PRESIDENT FARLEY: Senator
18 Nozzolio.

19 SENATOR NOZZOLIO: Thank you, Mr.
20 President.

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

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

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

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

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

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

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

21 ACTING PRESIDENT FARLEY: Senator
22 Mendez.

23 SENATOR MENDEZ: Mr. President, I

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

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

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

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

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

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

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

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

11 ACTING PRESIDENT FARLEY: Senator
12 Connor.

13 SENATOR CONNOR: Thank you, Mr.
14 President.

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

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

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

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

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

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

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

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

6 And I think that's, if I can and
7 I don't want to get into any vituperation here,
8 but that's why it's very easy to characterize an
9 exercise that brings out a tax cutting bill,
10 \$700 million, that says let's pass it and launch
11 the budget, is nothing more than devoting three
12 hours of the time of this body to enhancing upon
13 what was a press release last Thursday.

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

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

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

23 Were those amendments real? By

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

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

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

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

7 ACTING PRESIDENT FARLEY: Read
8 the last section.

9 THE SECRETARY: Section -

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

13 Senator Larkin, did you want
14 to -

15 SENATOR LARKIN: Explain my
16 vote.

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

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

1 vote.

2 Senator Galiber to close for the
3 Minority.

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

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

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

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

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

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

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

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

7 51 percent, you hear us talk
8 about the slush fund that's hidden some place
9 and we poke at you in sincerity because it is
10 there and what it boils down to in a basic sense
11 is that, when 51 percent of the people try to
12 control a hundred percent which you attempt to
13 do on a consistent basis, it's another form of
14 government, and that's what our frustration on
15 this aisle is all about, and that's what we are
16 concerned about.

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

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

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

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

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

7 The bottom line, you did it in
8 '91, '92, and you'll do it again because even
9 if the Governor does not make the request which
10 he has not, when you get down to your spending,
11 Republicans get down to your spending, you're
12 going to exceed any possibility of this over the
13 \$700 million, you call it, in tax cuts.

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

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

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

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

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

3 Thank you, Mr. President.

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

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

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

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

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

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

1 I point out again, we have explained, we have
2 explained how this will be paid for and I
3 haven't got the numbers right in front of me,
4 but it will be by, as we mentioned earlier, it
5 will be by the excess revenue we have, 200
6 million, that's two hundred and some million,
7 200 million of the -- in the budget at the
8 present time, and what's -- and 230 amnesty, and
9 as was pointed out here very well by someone,
10 that was double what which expected the last
11 time we had the program.

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

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

5 Thank you, Mr. President.

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

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

11 (The Secretary called the roll.)

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

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

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

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

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

22 This bill today provides the
23 leadership. We need to get the people on the

1 other side of the aisle and the people on the
2 other wing of this house to do something about
3 it. We keep talkin' about the people of the
4 state of New York. We hear people come up here
5 and talk about TAP; we hear people talk about
6 mental hygiene; we talk a lot about these other
7 things, and the great bearer of this burden is
8 the business community. If the business
9 community isn't there, the people won't be
10 there.

11 The business community is not
12 going to stay unless we say we want to do
13 something about the taxes and we do it now.

14 I vote yes.

15 SENATOR ONORATO: Mr. President.

16 ACTING PRESIDENT FARLEY: Senator
17 Onorato to explain his vote.

18 SENATOR ONORATO: Mr. President,
19 I had all intentions of voting for this
20 particular bill until I got more of the details
21 on it, and I'm probably almost as conservative
22 as some of the members on the other side of the
23 aisle, but when you're talking about a \$700

1 million tax cut directed to only one segment of
2 the public, it -- it turns me off, because I've
3 been bombarded up here since the beginning of
4 the session with people who are finding it very,
5 very difficult to make ends meet, you know, the
6 income tax rate that we're paying here, and the
7 senior citizens need some assistance, and I
8 think that we want to share the wealth around,
9 but spread it around so everybody benefits from
10 these tax cuts, not only one particular
11 segment.

12 When you want to bring pain, you
13 want to inflict it upon just a handful, and
14 that's the poor. When you want to inflict some
15 benefits, you want to inflict it upon the rich
16 who least need it. So, but I want to try to mix
17 it up a little bit. Let's everybody get a
18 little piece of the pie; let's share all the tax
19 increases fairly, but also let's share in the
20 tax decreases fairly, so for this particular
21 reason until a bill that comes onto this floor
22 that addresses all of the segments of this great
23 state of ours, I intend to vote no.

1 ACTING PRESIDENT FARLEY: Senator
2 Paterson to explain his vote.

3 SENATOR PATERSON: Mr. President,
4 I would heretofore define myself as an Onorato
5 conservative. I agree completely with the
6 conservatism that Mr. Onorato, Senator Onorato,
7 has offered here today.

8 If we are going to be able to cut
9 taxes now, we should cut them in a way that all
10 citizens around the state fairly are able to
11 realize that tax cut. In 1986, we experienced a
12 windfall from the Federal Income Tax Act of
13 1986. It led to a \$2.5 billion surplus in
14 1987. At that time, we deferred a lot of it in
15 taxes. Senator Galiber and Senator Montgomery
16 and I voted against that tax cut, because we
17 thought that it would be a good idea to save
18 money for a rainy day; in other words, to save
19 money that would be understood that we were
20 saving it as a state. And since 1987, we have
21 lost \$19 billion in -- in revenues because of
22 the failing economy.

23 At that time we had had to

1 exhaust the New York State Council on the Arts.
2 We had to exhaust the Division of Youth
3 Services. We had to exhaust higher education
4 funds, funds for victims of the HIV virus. If
5 there's going to be any surplus now, I think we
6 might want to think about whether or not we want
7 to defer it in tax cuts. One of, I think, the
8 first prerequisites for any cuts would be that
9 all parties agree on how much of a surplus we
10 have in the first place. Failing that, we've
11 been able to reach that decision. I would vote
12 no on this bill.

13 ACTING PRESIDENT FARLEY:

14 Results.

15 THE SECRETARY: Those recorded in
16 the negative on Calendar Number 471 are Senators
17 Connor, Espada, Galiber, Gold, Kruger, Leichter,
18 Markowitz, Mendez, Ohrenstein, Onorato,
19 Paterson, Smith, Stavisky and Waldon. Ayes 43,
20 nays 14.

21 ACTING PRESIDENT FARLEY: The
22 bill is passed.

23 SENATOR DALY: Mr. President.

1 ACTING PRESIDENT FARLEY: Senator
2 Daly for a motion.

3 SENATOR DALY: On behalf of
4 Senator Holland, I offer the following
5 amendments to Calendar Number 405, page 13,
6 Senate Print Number 1457-A, and ask that said
7 bill retain its place on the Third Reading
8 Calendar.

9 ACTING PRESIDENT FARLEY:
10 Amendments are received; bill will retain its
11 place on the Third Reading Calendar.

12 Are there any other motions on
13 the floor? Seeing none, I recognize Senator
14 Present.

15 SENATOR PRESENT: Mr. President,
16 there being no further business, I move that we
17 adjourn until tomorrow at 3:00 p.m.

18 ACTING PRESIDENT FARLEY: The
19 Senate will stand adjourned until tomorrow at
20 3:00 p.m.

21 (Whereupon at 7:24 p.m., the
22 Senate adjourned.)

23