NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

ALBANY, NEW YORK

May 7, 2008

11:12 a.m.

REGULAR SESSION

SENATOR THOMAS P. MORAHAN, Acting President

STEVEN M. BOGGESS, Secretary

P R O C E E D I N G S

ACTING PRESIDENT MORAHAN: The Senate will come to order.

I ask for everyone present to please rise and repeat with me the Pledge of Allegiance.

(Whereupon, the assemblage recited the Pledge of Allegiance to the Flag.)

ACTING PRESIDENT MORAHAN: In the absence of clergy, I ask all of us to bow our heads for a moment of silence.

(Whereupon, the assemblage respected a moment of silence.)

ACTING PRESIDENT MORAHAN: Reading of the Journal.

THE SECRETARY: In Senate, Tuesday, May 6, the Senate met pursuant to adjournment. The Journal of Monday, May 5, was read and approved. On motion, Senate adjourned.

ACTING PRESIDENT MORAHAN: Without objection, the Journal stands approved as read.

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator Bonacic.

SENATOR BONACIC: Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: You're welcome, Senator.

SENATOR BONACIC: On behalf of Senator O. Johnson, on page number 49 I offer the following amendments to Calendar Number 770, Senate Print Number 7171A, and I ask that the bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT MORAHAN: The amendments are received and adopted, and the bill will retain its place on the Third Reading Calendar.

SENATOR BONACIC: Thank you, Mr. President.

I move, on behalf of Senator Marcellino, that the following bill on the

order of first report be committed to the Committee on Rules: Senate Number 4363, Calendar Number 1013.

ACTING PRESIDENT MORAHAN: So ordered.

SENATOR BONACIC: Good job, Mr. President. Thank you.

ACTING PRESIDENT MORAHAN: Thank you, Senator Bonacic.

Senator Skelos.

SENATOR SKELOS: Mr. President, there will be an immediate meeting of the Rules Committee in the Majority Conference Room.

ACTING PRESIDENT MORAHAN: There will be an immediate meeting of the Rules Committee in the Majority Conference Room.

The Senate will stand at ease.

(Whereupon, the Senate stood at ease at 11:14 a.m.)

(Whereupon, the Senate reconvened at 11:21 a.m.)

ACTING PRESIDENT MORAHAN: The Senate will come to order.

Senator Skelos.

SENATOR SKELOS: Thank you, Mr. President.

If we could go to the noncontroversial reading of the calendar.

ACTING PRESIDENT MORAHAN: The Secretary will read.

THE SECRETARY: Calendar Number 271, by Senator Marcellino, Senate Print 602A, an act to amend the Navigation Law, in relation to providing.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 56.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 585, by Senator Little, Senate Print 6715, an act to amend the Executive Law, in relation to

adding.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 56.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 786, by Senator Flanagan, Senate Print 7155, an act to amend the Parks, Recreation and Historic Preservation Law, in relation to establishing.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 56.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 840, by Senator DeFrancisco, Senate Print 6845, an act to amend the Penal Law, in relation to the crime of making a terroristic threat.

ACTING PRESIDENT MORAHAN: Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the first of November.

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 56. Nays, 1. Senator Duane recorded in the negative.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number

859, by Senator Fuschillo, Senate Print 7261, an act to amend the Highway Law, in relation to designating a portion of the state highway system.

ACTING PRESIDENT MORAHAN: Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the 30th day.

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 57.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 870, by Senator Bonacic, Senate Print 7203, an act to amend Chapter 262 of the Laws of 2002 amending the Environmental Conservation Law.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call

the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 57.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 873, by Senator Marcellino, Senate Print 7525, an act to amend the Environmental Conservation Law and the State Finance Law, in relation to collection.

ACTING PRESIDENT MORAHAN: Read the last section.

THE SECRETARY: Section 3. This act shall take effect on the 120th day.

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 57.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number

900, by Senator Maziarz, Senate Print 252, an act to amend the Executive Law, in relation to creating and authorizing.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 905, by Senator Volker, Senate Print 1653, an act to amend the Executive Law, in relation to instructional video on sexually predators.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 907, by Senator Padavan, Senate Print 1991, an act relating to authorizing and directing the Commissioner of General Services.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 908, by Senator Seward, Senate Print 2456, an act to amend the Executive Law, in relation to

establishing.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 910, by Senator Volker, Senate Print 4556, an act to amend the Executive Law, in relation to electronic equivalents.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN:

Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 928, by Senator LaValle, Senate Print 3922, an act to amend the Education Law, in relation to disclosure of gifts.

ACTING PRESIDENT MORAHAN: Read the last section.

THE SECRETARY: Section 2. This act shall take effect on the first of August.

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

Senator Skelos, that completes the noncontroversial reading of the calendar.

SENATOR SKELOS: Mr. President, if we could return to reports of standing committees for the report of the Rules

Committee.

ACTING PRESIDENT MORAHAN: The Secretary will read the report of the Rules Committee.

THE SECRETARY: Senator Bruno, from the Committee on Rules, reports the following bills:

Restored, Senate Print 4363, by Senator Marcellino, an act to amend the Public Authorities Law;

Reported, Senate Print 3947B, by Senator Skelos, an act to amend the Tax Law;

6160B, by Senator Skelos, an act to amend the Tax Law;

7594B, by Senator Lanza, an act to amend the Tax Law and the General Business Law;

And Senate Print 7932, by Senator Maziarz, an act to amend the Tax Law.

All bills reported direct to third reading.

ACTING PRESIDENT MORAHAN: Senator Skelos.

SENATOR SKELOS: Move to accept the report of the Rules Committee.

ACTING PRESIDENT MORAHAN: On the motion to accept the report of the Rules Committee, all in favor say aye.

(Response of "Aye.")

ACTING PRESIDENT MORAHAN: Opposed, nay.

(No response.)

ACTING PRESIDENT MORAHAN: The report is accepted.

SENATOR SKELOS: Thank you, Mr. President. If we could take up the third reading of the Rules report.

ACTING PRESIDENT MORAHAN: The Secretary will read.

THE SECRETARY: Calendar Number 1013, by Senator Marcellino, Senate Print 4363, an act to amend the Public Authorities Law, in relation to providing.

ACTING PRESIDENT MORAHAN: Read the last section.

THE SECRETARY: Section 2. This act shall take effect on the 180th day.

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Senator Marcellino, to explain his vote.

SENATOR MARCELLINO: Thank you, Mr. President.

This is an opportunity to basically say that the state stands behind its message that we want our motorists to conserve and not use fossil fuels whenever possible. The purchase of high-mileage vehicles is to be encouraged.

This bill encourages that by providing a discount for vehicles that qualify on the Thruway and on the E-Z Pass tolls.

This is an important piece of legislation because it incentivizes the public to go forward and purchase these vehicles and drive in a "green" manner, and that is to protect and preserve our natural resources and to protect and preserve our environment.

Thank you, Mr. President. I will vote aye on this important bill.

ACTING PRESIDENT MORAHAN: Senator Marcellino will be recorded in the affirmative.

Announce the results.

THE SECRETARY: Ayes, 58. Nays, 0.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 1084, by Senator Skelos, Senate Print 3947B, an act to amend the Tax Law, in relation to exempting.

ACTING PRESIDENT MORAHAN: Read the last section.

THE SECRETARY: Section 5. This act shall take effect October 1, 2008.

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 1085, by Senator Skelos, Senate Print 6160B, an act to amend the Tax Law, in relation to providing tax credits.

ACTING PRESIDENT MORAHAN: Read

the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

THE SECRETARY: Calendar Number 1086, by Senator Lanza, Senate Print 7594B --

SENATOR DUANE: Lay it aside, please.

ACTING PRESIDENT MORAHAN: The bill is laid aside.

THE SECRETARY: Calendar Number 1087, by Senator Maziarz, Senate Print 7932, an act to amend the Tax Law, in relation to biofuel production.

ACTING PRESIDENT MORAHAN: Read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Announce the results.

THE SECRETARY: Ayes, 58.

ACTING PRESIDENT MORAHAN: The bill is passed.

Senator Skelos, that completes the noncontroversial reading of the Rules calendar.

SENATOR SKELOS: Thank you, Mr. President.

If we could now ring the bells and inform the members that we're going to the controversial calendar. And within a minute, we'll take up Calendar Number 1086.

ACTING PRESIDENT MORAHAN: So ordered. We will ring the bells to allow the Senators to return to the chamber, and we will resume in a moment or two.

SENATOR SKELOS: Mr. President, if we could now take up Calendar Number 1086.

ACTING PRESIDENT MORAHAN: The Secretary will read.

THE SECRETARY: Calendar Number 1086, by Senator Lanza, Senate Print 7594B, an act to amend the Tax Law and the General Business Law.

ACTING PRESIDENT MORAHAN: Senator Duane.

SENATOR DUANE: Thank you, Mr. President.

If the sponsor would yield, please.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: Thank you, Mr. President.

When is the -- when will this tax policy take effect?

SENATOR LANZA: Mr. President, through you, this bill provides for the suspension of taxes on gasoline and similar motor fuels between the Memorial Day and Labor Day of 2008.

SENATOR DUANE: Through you,

Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes --

ACTING PRESIDENT MORAHAN: Can we have a little quiet in the chamber, please.

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: Thank you.

Has this gasoline tax policy been tried in the past?

SENATOR LANZA: Mr. President, through you --

SENATOR DUANE: In our state?

SENATOR LANZA: -- I believe the answer to that is no, except with the exception of legislation that was passed in 2006 implementing a cap on the gasoline tax at $2 per gallon.

SENATOR DUANE: Thank you, Mr. President. If the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN:

Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: Has this tax policy been used in any other states? And if so, which ones?

SENATOR LANZA: Mr. President, through you, I don't believe it has.

SENATOR DUANE: Thank you, Mr. President.

SENATOR LANZA: But I would add, Mr. President, that there are many states across the nation that have significantly less -- impose significantly less state tax on a gallon of gasoline.

SENATOR DUANE: I'm sorry, Mr. President, I didn't catch that.

ACTING PRESIDENT MORAHAN: Can't hear you, Senator.

SENATOR LANZA: I said there are many states, even neighboring states to New York, which impose significantly less gas tax on a gallon of gasoline.

SENATOR DUANE: Thank you, Mr. President. If the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, I will.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: What are the environmental -- anticipated environmental results that are anticipated as a result of this -- should this legislation pass both house and be signed into law?

SENATOR LANZA: Mr. President, I guess what's being implied by the question, I know that there are certain so-called environmentalists that believe the price of gasoline should cost more than it does today, that it should cost $8 or $10 or $20 a gallon, so that regular people across the state would find it harder to get into their car to drive to market, to drive to school, to go to work.

But this is a bill that would save the taxpayers of this state money. It would deliver much-needed relief to people who are

really hurting, finding it harder to make ends meet because of the high price of gasoline.

SENATOR DUANE: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator continues to yield.

SENATOR DUANE: I believe there will be more discussion later on about what the savings may or may not be to consumers.

But I'm interested in what the sponsor's thoughts are, not the thoughts of what has been characterized as so-called environmentalists -- though I'm not sure exactly who the so-called environmentalists are.

But I'm curious as to what the sponsor believes the environmental impact may or may not be. Maybe there are none; maybe there are some. But that's the question I was trying to get an answer to, Mr. President.

ACTING PRESIDENT MORAHAN:

Senator Lanza.

SENATOR LANZA: Mr. President, again, this is a bill that seeks to deliver relief to people who are hurting across the state, who are finding it harder to make ends meet.

As we know, the pain of higher gas prices does not end at the pump. Every day goods and services are more expensive, from the price of milk to eggs to bread. This is really hurting the people, hurting families, hurting business. So the idea here is to give relief to people who need that relief.

SENATOR DUANE: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: When the hearings occurred on this bill, did any of the environmentalists, the called environmentalists or the so-called

environmentalists, did they have an opinion on the effect this legislation would have?

SENATOR LANZA: Mr. President, I am aware of the fact that there are many people and groups who call themselves environmentalists who have expressed opposition to this bill, who have been quite honest about their reason for opposing it and saying that they believe the cost of gasoline in this state should be higher than it is today. They believe that if the cost of gasoline were $5 a gallon or $10 a gallon or, in their wildest hopes, $20 a gallon, that it would encourage people to stay home and not go about their lives.

And so I understand the opposition that comes from certain environmental groups. But this is a bill that is much needed.

When gasoline approached $2 a gallon a couple of years ago, the Legislature in this state believed that it was a serious enough problem for the people of this state that a gas-tax cap was imposed. And so I'm just going to have to disagree with those people or those groups who believe that

gasoline should cost more and not less. I believe that it should cost less.

I believe we have a responsibility to deliver relief to the people of the State of New York. And that's what this measure will do.

SENATOR DUANE: And so, Mr. President -- I'll just ask a more simplified question -- was there a hearing or were there hearings on this bill?

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, Mr. President.

And, through you, the answer is no, there was not.

SENATOR DUANE: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, I will.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: Thank you,

Mr. President.

Was there a fiscal study done on this? And if so, who conducted it?

SENATOR LANZA: I'm sorry, I didn't hear the last part of the question.

SENATOR DUANE: I was asking if there was a fiscal study done on the -- a fiscal impact study done on this legislation. And, if so, who conducted it?

SENATOR LANZA: Mr. President, through you, yes. And it was done by the Senate Finance Committee.

SENATOR DUANE: I'm sorry, Mr. President, I missed that. Senate Finance Committee?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: Senate Finance.

SENATOR LANZA: Senate Finance.

SENATOR DUANE: So through you, Mr. President, do we -- can we see that fiscal study?

ACTING PRESIDENT MORAHAN: Are you asking the Senator to yield?

SENATOR DUANE: Yes,

Mr. President.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, I will, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: And while we're checking for the answer, I just want to -- sharing is always nice.

SENATOR LANZA: Yeah, there is a fiscal impact attached to the bill, Mr. President. It reports a static figure of approximately $600 million.

But of course, as we know in this body, that the economy is far more complicated than taking the number of gallons of gasoline that we expect to be sold during this period and multiplying it by 32 cents and coming up with a number. That's how we arrived at that fiscal impact.

That states the worst-case scenario. Of course, we know that this will have an economic stimulus to the economy here in the State of New York. And so nobody knows

really what that number is.

I could tell you -- I could tell you that because of the fact that gas costs less, for instance, in the State of New Jersey because they impose lower taxes on a gallon of gas, that many people in the State of New York, many businesses in the State of New York go across the border to avail themselves of those lower prices. And while they're there, they contribute to that economy, whether shopping or dining.

And so we know, when you consider factors like potentially increased tourism here in the state, the fact that neighboring states, residents thereof, would come here to New York to avail themselves of the lower gas price, that there would be an economic stimulus to our state.

And so I don't think anyone in this room could accurately tell you the precise impact on our economy.

SENATOR DUANE: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN:

Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: I don't have, and I'm not sure anyone over on this side of the aisle has the actual study that we could look at the -- you know, the methodology.

I'm wondering about the actual document, whether or not that could be shared with everybody in the chamber, all the members.

SENATOR LANZA: Mr. President, through you, it's pretty simple. I can give you the methodology with respect to that number. And there was an analysis and an assessment of the number of gallons of gasoline that are expected to be consumed or sold in the state during this period of time, and simply multiplying that number by 32 cents per gallon to arrive at that number.

SENATOR DUANE: Through you, Mr. President, I'm becoming less optimistic I'm actually going to get a copy of the study.

So then who's -- who -- what academic person or what economist was behind the methodology for this study? Because I don't have the study so I could look at the footnotes on whose data, where they found it. So I'm just trying to get at where these numbers are coming from.

ACTING PRESIDENT MORAHAN: Senator Lanza.

SENATOR LANZA: Again, Mr. President, as far as, you know, the math here, it's pretty simple.

SENATOR DUANE: I'm not -- I don't -- through you --

ACTING PRESIDENT MORAHAN: Excuse me, Senator. Let him continue with his answer. If you have a further question --

SENATOR DUANE: It's not the math.

SENATOR LANZA: I'm not sure to which higher academic authority Senator Duane would like to hear from. From which. But it's pretty simple. It's pretty simple math.

This number is arrived at by taking the number of gallons of gasoline that we

expect to sell in the State of New York during this period of time and simply multiplying that number by 32 cents per gallon and arriving at this result.

Again, that is the worst-case scenario. I don't believe that it will be anywhere near that number, because anyone who understands anything about the economy understands that it's far more complicated than that and that there will -- certainly this will provide a stimulus to our economy which will offset that simple, simply-arrived-at mathematical number.

SENATOR DUANE: So through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, I will.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: It sounds as if we're talking about just a one-page study. Is that correct?

SENATOR LANZA: Mr. President, I

don't know where we're going with the study.

If anyone has any difficulty in understanding how we arrived at this number beyond the explanation I've given, which is pretty simple, eighth-grade math, we can certainly talk about it at a later date. But I think we've gone over this issue with respect to this question sufficiently.

It's pretty simple for everyone in this chamber to understand how to arrive at that number -- which, again, ignores the economic reality and the stimulus that this bill will certainly provide, as evidenced by what's going on in other states who provide -- who impose a lower tax on a gallon of gas for the residents of their state.

We know that, just for instance, people in this state go across state lines to avail themselves of that lower price. And while they're there, they shop and dine and provide stimulus to those economies, which certainly offset the cost of the lower tax being imposed.

SENATOR DUANE: Through you, Mr. President, if the sponsor would continue

to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields for another question.

SENATOR DUANE: Thank you, Mr. President.

I'm wondering if the sponsor thinks there's any downside to sharing the study with everyone.

SENATOR LANZA: Mr. President, through you. Whatever analysis there is and we have, I believe there's no downside in sharing that.

SENATOR DUANE: And then through you, Mr. President, if we could have that study put on our desks. Because I think we'll have time. People have a lot of questions, of course, about this. So if we could start to just share that with all the members, that would be terrific.

Would that be okay with the sponsor?

ACTING PRESIDENT MORAHAN:

Senator Lanza.

SENATOR LANZA: Mr. President, I think we should talk about the merits of the bill and not talk about some perceived difficulty in understanding a pretty straightforward analysis of the fiscal impact of this bill.

I've repeated a number of times here this bill seeks to eliminate the 32-cent tax that we impose on a gallon of gasoline in the State of New York, which makes gasoline in the State of New York just about the most expensive gasoline in the United States of America. And it's hurting families, it's making it more difficult for them to make ends meet. It's driving up the costs of just about everything, from bread to milk to eggs.

And if you want to know -- and I'll say it all day long, if you want -- the fiscal impact that we have here is derived very simply. Very simply. I think everyone in this chamber can understand that when you're going to take 32 cents off the price of gasoline and you calculate the number of gallons of gasoline that we expect to sell and

you multiply that number by the 32-cent savings which we are trying to deliver to the people of this state, that you come up with a number.

That number, Senator Duane, is in the neighborhood of $600 million. That again is the worst-case scenario, because it ignores all the economic stimulus that this bill will provide to the State of New York.

ACTING PRESIDENT MORAHAN: Thank you, Senator Lanza, for fully explaining and exploring the depth of the study about the financial impact.

(Laughter.)

ACTING PRESIDENT MORAHAN: Senator Duane.

SENATOR DUANE: So through you, Mr. President, in the interests for this question of just getting a brief response, I'm assuming that the sponsor's answer to my question was no.

ACTING PRESIDENT MORAHAN: Senator Lanza.

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: Yes, it is a no.

SENATOR LANZA: Senator Duane knows me well know enough to know that that was the answer.

SENATOR DUANE: So in this case "yes" is a no, we're not getting the study.

SENATOR LANZA: Well, Mr. President, I think that was a question, through you.

I have explained --

SENATOR DUANE: Mr. President, I think I have the floor.

ACTING PRESIDENT MORAHAN: Excuse me. Senator Lanza, we'll let Senator Duane --

SENATOR LANZA: I thought I heard a question, I'm sorry.

ACTING PRESIDENT MORAHAN: We'll let Senator Duane finish his question or statement.

SENATOR DUANE: I just have one economic question.

I'm just wondering if the sponsor is familiar with price --

ACTING PRESIDENT MORAHAN:

Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: Senator Duane, your question?

SENATOR DUANE: If the sponsor is familiar with the concept of price elasticity, and if that has been factored into the analysis which we don't have.

SENATOR LANZA: Mr. President, that theory exists. Whether or not we reduce the price of gasoline in this state or not by taking and removing the tax, and so that all else being equal, if you take or remove the 32-cent-per-gallon tax, the price of gasoline, according to market conditions, would go down.

Similar arguments were made a couple of years ago when the cap was placed on a gallon of gasoline at $2 a gallon. And we see that as a result of that cap, the people of the State of New York are paying less than they would otherwise be paying if we had not instituted and imposed that cap.

SENATOR DUANE: Through you, Mr. President, if the sponsor could continue

to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR DUANE: Was the State Comptroller consulted on the fiscal impacts of this bill?

SENATOR LANZA: I apologize. Can you repeat the question?

SENATOR DUANE: Certainly.

Mr. President, I was wondering if the State Comptroller had been consulted on this legislation to have an opinion on the fiscal impacts.

SENATOR LANZA: I don't know, Mr. President.

SENATOR DUANE: And finally, my last question, Mr. President, is when was this legislation introduced?

ACTING PRESIDENT MORAHAN: Senator Lanza, you will continue to yield?

SENATOR LANZA: Yes, Mr. President.

It was -- I don't know precisely when it was introduced. It was announced a couple of weeks ago. I'll get the precise date. April 16th, Mr. President.

SENATOR DUANE: And I meant to make this a two-pronger. And when was this last amended -- I'm wondering if this, through you, Mr. President --

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR DUANE: When was the bill last amended?

ACTING PRESIDENT MORAHAN: Senator Lanza.

SENATOR LANZA: I don't have the answer to that question, Mr. President. I believe it was sometime last week.

SENATOR DUANE: On the bill, Mr. President.

ACTING PRESIDENT MORAHAN: Senator Duane, on the bill.

SENATOR DUANE: I'm going to be very interested and curious to listen to my colleagues on both sides of the aisle as they debate this issue.

I am saddened, though, that there isn't an open sharing of information about this legislation. We're in difficult fiscal times in this state. Most New Yorkers are also facing financially extremely difficult times. This legislation may or may not have a large fiscal impact for a number of stakeholders. And so I think that it would be best if we had all relevant information and studies.

We have some time until Memorial Day, and I think we could actually gather more information before we made a judgment on this legislation.

So, you know, I don't see what the downside would have been to share as much information as is available. But if that's not to be, then perhaps my colleagues and I will be able to get more information through the rest of this debate.

And with that, Mr. President, I know that many of my colleagues also have questions. And I thank the sponsor for his indulgence with mine.

ACTING PRESIDENT MORAHAN: You

were explaining your vote, Senator. What is your vote?

SENATOR DUANE: No, I was speaking on the bill, Mr. President.

ACTING PRESIDENT MORAHAN: Okay. Senator Krueger.

SENATOR LIZ KRUEGER: Thank you, Mr. President. If the sponsor would yield, please.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR LIZ KRUEGER: Thank you.

My colleague Senator Duane had raised some questions about the fiscal analysis you did. So approximately, regardless of debate about the financial analysis, $600 million lost to the state budget from this proposal. What are we proposing to cut in the state budget that we just passed, since we would have $600 million less revenue?

SENATOR LANZA: Well, Mr. President, I don't believe that that will be the impact of this bill. I think to believe that, you would have to believe that nothing will change as far as people's conduct and activity, that this will not provide a stimulus to the economy.

I believe it will. So I don't know what that impact will be, and I don't think anyone in this room knows what the impact will be. But I do know this. I know the impact on family budgets across the state will be positive. When you talk about cost, there will be no cost to the people of New York. There will be a savings, a savings to people who desperately need that savings, perhaps, and need it now.

SENATOR LIZ KRUEGER: Mr. President, if through you the sponsor will continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The

Senator yields.

SENATOR LIZ KRUEGER: Thank you, Mr. President.

I have to disagree. We will lose that money in the state budget. But following up on your point that it will be a savings to the families, I believe in some of the paperwork you talk about it saving approximately $50 per household over the course of the summer holidays.

How do we know that will happen? You're reducing the tax, but there's nothing in this bill that mandates that that tax relief actually be provided to the gasoline purchaser. So what evidence is there that the wholesalers and retailers would move that savings to the purchaser at the pumps?

SENATOR LANZA: Mr. President, first let me say that $50 a week or every other week or every three weeks may not be a lot to Senator Krueger and the people she represents, but it's a lot to the people I represent. And it's a lot to the people across this state who are really hurting, who are finding that the price of everything they

consume because of higher gas prices is going up.

And driving, for people in my community -- and for many people across this state -- is not a luxury. It's not a luxury, it's a necessity. We don't have the billions of dollars of mass transit that the people of Manhattan are blessed with. We've got to get in cars to get around, to live, to get our kids to school, to go to market and to shop. And so $50 makes a difference to my family and to the families I represent and to many families across this state.

With respect to the second part of the question, there's an anti-gouging measure in this bill, similar to the anti-gouging measure that was put in the bill that put a cap on the tax that we impose at $2 a gallon. So this argument was made then.

This argument, we found, did not hold true with the cap that we placed on gasoline tax. It won't hold true here because market conditions won't allow it to happen. And we've got proof again in our neighboring state, which is only a few minutes away from

the community I represent in Staten Island, and that's New Jersey.

And the State of New Jersey imposes a lower tax on a gallon of gas than the State of New York does. And guess what? Mysteriously, the price of gasoline in New Jersey costs less than the price of gasoline in New York. That savings has been passed on the consumer because it makes sense to pass it on, because of the competitive nature of business.

And so we've got proof right next door that when you lower the gas tax, you lower the price of gas. And that is what the people of the State of New York need, and they need it now.

SENATOR LIZ KRUEGER: Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR LIZ KRUEGER: Thank you. I'm going to try again, because we didn't get to my question.

One, your bill actually proposes what would be conceivably a $50 savings if it was to be passed through over the course of the summer holiday, not one week or two weeks, just for the record.

Two, again, what in your bill moves this savings to the consumers at the gas pump? Because you reference -- and thank you for bringing it up -- we did this before, and the data shows nobody saved money. The price of gas has skyrocketed since the cap.

The gouging law was a failed model, in that it's only a civil penalty if we declare an emergency, so it has never been used.

So again, this bill today, why is this not simply a rollover to the largest gas companies, who are making the largest profits in the history of the gas industry? Why is this bill actually going to not simply allow them to suck up another 32 cents per gallon into their profit margin? Where in this bill

does it say that this must be provided to the consumer at the gas pump?

SENATOR LANZA: Mr. President, let me begin again by saying I don't know where you get this $50 number. But let's say it is $50. That's a lot of money to people I represent who are trying to make ends meet, who are trying to make hard choices already, raising their families and trying to go about and live out a good, decent life here in the State of New York.

Fifty dollars, if we could save people $50, if that's all we could save -- I don't know where that number is coming from. Perhaps people drive more in Staten Island. In fact, they do drive more in Staten Island than they do in Manhattan, because we have to. We have to.

So if we could save people $50, we ought to do it, because they're hurting. When gasoline goes up 32 cents a gallon, people hurt. And they feel it. So I somehow -- I don't understand the argument that says if we reduce the price of gasoline by 32 cents a gallon that it really isn't worth it, that it

really isn't something. It is something. It will matter.

And if you want to talk about gouging and you want to talk about what the oil companies will do, let's remember one thing. The oil companies, over the last three years, have made about 10 cents a gallon in profit, 10 cents a gallon. Many here believe that they're gouging the people of this country.

If the oil companies are gouging the people of this country and this state by making 10 cents a gallon, what are we doing? What are we doing here in New York by charging them 32 cents a gallon?

SENATOR LIZ KRUEGER: Mr. President --

SENATOR LANZA: And so that's what this bill is about.

And if the Senator from Manhattan seeks to find proof that this will be passed along to the consumer, you need only look to each and every state that imposes a lower tax on a gallon of gasoline and see that in those states, again, gasoline costs less. It costs

less because, of course -- of course -- that savings is passed along to the consumer, because the markets demand that it is.

And to say that, well, when we imposed that tax two years ago and that now gasoline is higher, to somehow suggest that that has anything to do with that cap is ridiculous. Gasoline is up all over the country because of many factors we cannot control. Because the price of crude oil, which is about 72 percent of the price of a gallon of gas, in every state is up, from $60 a barrel to $122 a barrel this morning.

So the proof that this will lower the price of gasoline, the evidence that this will lower the price of gasoline for the people of New York is all around us.

SENATOR LIZ KRUEGER: Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, I will, Mr. President.

ACTING PRESIDENT MORAHAN: The

Senator yields.

SENATOR LIZ KRUEGER: Okay. So so far in our discussion we have it maybe going to cost the state $600 million in lost revenue, with no explanation of what we'll cut out of the budget. But we have a hypothetical that changing tax structure changes economic activity. Fine.

Then we have a hypothetical that maybe it's $50 -- maybe it's $200. I won't even argue that, that you say the 32 cents would save, because obviously it would be individual, based on the amount of driving that's used.

Again, I would submit that I have read your bill carefully. There is nothing in the bill that says this money will be transferred to the consumer at the pump. And in fact, the evidence from other states, from our own state, because we've done a cap before, is in fact that the money is not transferred to the consumer at the pump. Just the opposite.

Seven out of the 15 counties in the State of New York who had done their own sales

tax cap when we did the cap actually have now reversed themselves, showing that their prices went up, their consumers didn't save, their counties lost money for transportation and highways and mass transit.

And ironically, the evidence from our own state is that they increased property taxes at the local level to make up for the lost tax from caps like this where the consumer didn't see a decrease in the cost of gasoline, but in fact the counties saw a loss of revenue that they then had to make up through an increase in property taxes.

So from a tax-policy perspective, this is a bit of a three-card monte game.

And in fact, while my colleague Senator Duane asked you a series of questions about your financial analysis and you admitted that there wasn't that much -- but we have a lot of hypotheticals -- there are 150 economists in this country, including Nobel Prize winners, who have signed a document saying this kind of gimmick will do nothing to save people money but in fact will increase the profit margin --

SENATOR LANZA: Is there a question sometime in the future here?

SENATOR LIZ KRUEGER: I am getting to the question of the oil companies, but I'm responding to your comment. And in fact --

SENATOR LANZA: Mr. President, is there a question anytime in the future here?

ACTING PRESIDENT MORAHAN: Excuse me. A little order here.

Do you have a question, Senator?

SENATOR LIZ KRUEGER: I do. I'm getting to it. Thank you, Senator.

ACTING PRESIDENT MORAHAN: Okay. It's coming.

SENATOR LIZ KRUEGER: Thank you. It's coming. Thank you so much, Mr. President.

SENATOR LANZA: So is Christmas.

SENATOR LIZ KRUEGER: In reference to also answering a point you made, in fact, the oil companies' profits have skyrocketed. Exxon Mobil just reported a 17 percent net increase in profits for the first quarter of 2008, while pump prices

continue to skyrocket. The oil companies have pocketed well over $100 billion in profits.

But I will ask you, we know --

ACTING PRESIDENT MORAHAN: Here it comes.

SENATOR LIZ KRUEGER: -- and I think we agree -- thank you, Mr. President -- that a fundamental problem within our country for all of our people, which are costing us far more than the 50 or 100 or 150 dollars you think your gas holiday might give someone, is our dependence on foreign oil. How will this bill decrease our dependence on foreign oil?

SENATOR LANZA: Mr. President, through you.

ACTING PRESIDENT MORAHAN: Senator Lanza.

SENATOR LANZA: First, with respect to those Nobel laureates, I presume the Senator from Manhattan means Al Gore, who of course is on the record saying that gas should cost more.

SENATOR LIZ KRUEGER: No, he wasn't one of the 150. He doesn't --

SENATOR LANZA: We just have a

fundamental difference of opinion. Some people believe that gas should cost $10 a gallon so that people would not be able to get in their cars, because they don't want people to get into their cars. They don't want people to be able to get around. They don't want people to be able to have the freedom of travel that people in this country presently have. They don't want that.

I could respect that position. People should be more honest about it. Some have, like Al Gore, the Nobel laureate, who says that gas should cost a lot more so that we can keep people in their houses. I can respect it and at the same time vehemently disagree with it.

With respect to the fact that there's proof that this won't reduce the price of gas, that is categorically untrue. You need only look around. Again, I hate to keep giving -- plugging our neighboring state of New Jersey, but gas costs less there.

I know. When I come to Albany, I travel through New Jersey. Do you know what I do? I fill up in New Jersey. When I leave

Albany on my way back, Mr. President, to Staten Island, you know what I do, Senator? I fill up again. Do you know why? Because round trip, I save about $8.

It might not be a lot to some people, Senator Krueger, in your district; it might not be a lot to some people in Manhattan, but it's a lot to me. It's a lot to my family. It makes a difference. It means a lot to the people in my district and a lot to the people of this state. It means something.

So whether it's $6, $8, $50 or $200, people are hurting. We can talk -- and I know Senator Krueger brought up Washington and an energy policy. All good points. I agree with you. We could talk about all the reasons why we can't do something about this. Of course we need a long-term energy policy in this country. Of course a conservation policy is something that is needed. Of course we can't do anything about the speculation in the oil markets. Of course we can't do anything about traditional economic pressures of supply and demand.

Perhaps we could do something about domestic exploration. If Senator Krueger is concerned about dependency on foreign oil, perhaps we can unlock the massive energy resources that exist right here at home in America. But of course people like Al Gore and some of the people that have been talked about, the so-called environmentalists, they don't want us to do that either, Mr. President. They want the price of gasoline to go up, not down.

But again, look at New Jersey, where they impose a lower tax on gasoline. And you know what you'll find? A lower price for gasoline. And look at other states that impose a lower tax on gasoline. And you know what you'll find, Mr. President? A lower price for a gallon of gasoline.

Look to New York that has one of the highest taxes, and you know what you'll find? One of the highest prices in the United States of America on the price of gasoline. Is that a coincidence, Mr. President? No, of course it's not a coincidence. Gas costs more here because we impose a higher tax here. If

we impose a lower tax in New York, gas will cost less. What is so hard about this to understand?

And people need it. People are hurting. They're hurting. And so we could talk, we can play the blame game, we can point fingers, we could talk about all the things we cannot do. But that won't help people.

There is one thing we can do here in the State of New York. There's one thing we can have that will have definite, immediate results. And that is to eliminate the tax from the period of Memorial Day to Labor Day, 32 cents that we put on the price of gasoline.

And annualized, annualized, that's about a 10 percent cut in the tax -- I'm sorry, it's a 40 percent cut in the tax, annualized, if we look at consumption throughout the year. Which means it's around a 12-cent break to the people of New York State.

We can afford, Senator Krueger, we can afford to give the people of the State of New York a 12-cent annualized break in the price of gasoline. Many people say we spend

too much. They're right. We can find a way to spend less. Government should have to do what people do and families do. Government should find a way to do more with less during difficult economic times. That's our job. We'll find a way. Senator Krueger, you and I and the members of this body, we'll find a way, working together, we'll find a way to do more with less.

People deserve, demand, and need relief, and that's what this will do.

SENATOR LIZ KRUEGER: Thank you, Mr. President. On the bill.

ACTING PRESIDENT MORAHAN: Senator Krueger, on the bill.

SENATOR LIZ KRUEGER: Thank you. Thank you, Senator Lanza, for your -- I'm not sure they were answers to my questions, but for your passion.

We can do more. It's not this is the only thing we could do. I disagree. I would even argue that we won't do this, because it's a one-house bill, so we will spend the time talking.

But this bill does not guarantee

the money goes to the consumers at the pump. And the data and the evidence shows that it won't go to the people at the pump. So the passion to try to save the money for your constituents and my constituents -- because I would agree, my constituents feel the same way about the $8 at the gas tank or the $50 or the $100. That is not unique to any geographic section of the State of New York.

But this bill allows the wholesalers and the refineries to keep the money rather than pass it on to the consumers. There is nothing in this bill that mandates it goes to consumers. There is no legal way for us to require them, after this bill were to pass, if it were to pass, to give that money to the consumers at the gas pump.

And evidence from our previous attempts at this, and recorded documents from economists who aren't just saying let it be $10 a gallon but, if you read the report, say this is a fiscal gimmick that won't save people money and will increase profits for the oil refineries and the big oil companies, that this is not the way to do it even if that's

what you wanted to do.

I would argue that if this bill had moved through hearings, as Senator Duane proposed, rather than being dated I think sometime in the last two weeks, that we could have had discussions about what we could be doing to both increase energy efficiency and try to address the needs of the consumers of the State of New York.

In fact, there were several other bills we just passed on the floor that came through the Rules Committee today that are much more specific and targeted in giving tax advantages to people who will purchase new or used less-gas-guzzling cars. All right?

We are talking about and we are moving legislation today that would give incentives to go to non-petroleum-based products for our energy system and the potential for expanding the non -- I emphasize non-corn-based ethanol, but rather the alternative forms of ethanol that are being developed.

We could, and I'm not sure where I would be on that right now, but we could

create a rebate that specifically went to people who drove their cars -- perhaps a rebate for people who drove their cars to and from work, perhaps a rebate for people who drove their cars based on a progressive model of their income -- where we could guarantee that the money would actually go to the consumer, not to the oil companies.

We could do that today. We could do that next week. We could, in fact, push for different kinds of mileage standards right here in New York State through a number of proposals, including being more active in forcing our federal government -- you said don't rant about the federal government, but we're allowed to rant a little bit when the federal government not only failed to do their job but harms our constituents here in New York State.

So we could be talking about any number of proposals that would make more sense than this legislation that are not exclusively get-out-of-your-car proposals but, rather, increase the efficiency of our vehicles, focus on alternatives to foreign oil, and make sure

that if you say you're giving a tax rebate, it actually goes to the consumers.

ACTING PRESIDENT MORAHAN: Senator Marcellino, why do you rise?

SENATOR MARCELLINO: Just to point out to the worthy Senator from Manhattan that we passed a bill earlier, my bill, that provided a credit --

SENATOR DUANE: Mr. President.

SENATOR MARCELLINO: -- for cars with greater efficiency and mileage.

SENATOR DUANE: Mr. President, point of order.

ACTING PRESIDENT MORAHAN: What's your point of order, Senator?

SENATOR DUANE: Senator Krueger has the floor.

ACTING PRESIDENT MORAHAN: Yes.

SENATOR LIZ KRUEGER: Thank you.

ACTING PRESIDENT MORAHAN: Senator Krueger.

SENATOR LIZ KRUEGER: But in fact, if I had been asked to yield for that point, I would have pointed out I just said that a few minutes ago, that we are moving

bills that make sense, including Senator Marcellino's bill that passed half an hour ago on the floor of the Senate.

So in response -- thank you, Senator Marcellino -- to my point, Senator Lanza said there's nothing else we can be doing. And in fact, there are other things we can be going doing; your bill is a perfect example of that. So thank you for rising, I suppose in my support, on this argument.

Again, you really have to sort through the facts from the fiction -- thank you so much -- because had we had some more time to dialogue together, the Senator called for a bipartisan approach to this. And a bipartisan approach, if we had hearings, if it even went through Senator Marcellino's committee -- I don't believe this bill did, since we just moved it through Rules today -- no doubt he and other members of his committee would have had some very good recommendations that would actually be able to move us towards our goals.

This bill has no way of guaranteeing that the people of New York will

see a lower gas price. It has a clear mechanism for the oil companies to keep the entire 32-cent profit. There is no mechanism in this bill for them to not collect it.

And again, I will refer my colleagues to a report done by the Onondaga County Division of Management and Budget, their analysis of why the cap on sales tax for gasoline and diesel did not have the outcome you're proposing your bill would have. That they are not continuing their own sales tax cap because they did not find that they had the outcome they wished to have, reduced price at the pumps. They had increasing price at the pumps, lower tax revenue for important issues in their county, and higher property tax at the end of the day.

And I've heard enough discussions on the floor of this chamber to know that no one is really interested in proposals that result in higher property taxes and not lower gas taxes -- excuse me, lower gas costs. So I will be voting no, and I urge my colleagues to rethink this and to vote no.

Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Little, why do you rise?

SENATOR LITTLE: Thank you. I would like to ask Senator Krueger a question in regard to some of the comments that she just made. Would she respond?

ACTING PRESIDENT MORAHAN: Senator Krueger, will you yield?

SENATOR LIZ KRUEGER: I certainly yield.

ACTING PRESIDENT MORAHAN: The Senator yields, Senator.

SENATOR LITTLE: Thank you.

Through you, Mr. President, several years ago in this body we removed the sales tax on clothing and shoes and gave a holiday on the sales tax on clothing and shoes. Were we concerned about the retailer gouging the consumer then?

And wasn't the point that we would bring more people into our state to purchase clothing and more people would purchase clothing that week when they did not have a sales tax on that thing?

I don't remember anyone being concerned about the retailer doing the gouging. It was a benefit, it was an incentive, and it was a tax reduction for the people of this state.

ACTING PRESIDENT MORAHAN: Is that a question, Senator?

SENATOR LITTLE: Yes. Were you concerned at that time?

SENATOR LIZ KRUEGER: Thank you. I appreciate the question.

No, I wasn't, because the sales tax structure on clothing and shoes is different than the way we've established the law on taxes and gasoline.

So when you lift a sales tax that is only applied at the retail level, collected at the retail level, and in this case stopped from being collected at the retail level, it's very clear-cut. The tax is not paid by the consumer, and the retailer does not owe the money to the state or local government.

It is a different formula in gasoline tax, where in fact the tax, quote, unquote, is collected or not collected at the

wholesale level. So the wholesaler would not have to roll that savings to the retailer. The retailer would not have to roll that savings to the consumer. And in fact, under this legislation, there would be no way for us to ever see what happened there.

SENATOR LITTLE: Through you, Mr. President, another question, if I may.

I thoroughly understand the sales tax --

ACTING PRESIDENT MORAHAN: Excuse me. Let me just explain something.

A question has been raised that the Senator did not have the floor when you asked her to yield. However, you did stand up while she had the floor, and that's why I allowed you to ask Senator Krueger to yield.

So hopefully that will answer some questions that people have risen to their feet to ask. So I will allow the debate to continue.

Are you asking the Senator to yield?

SENATOR LITTLE: Yes. And just in response --

ACTING PRESIDENT MORAHAN: Do you yield, Senator?

SENATOR LIZ KRUEGER: Yes, I will yield.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR LITTLE: Just an additional -- I do understand the sales tax is added on clothing and shoes at the time of the sale. But couldn't the retailer increase the price of that clothing and those shoes to compensate for that reduced tax? They certainly, in my mind, could have.

Thank you.

ACTING PRESIDENT MORAHAN: Senator Krueger.

SENATOR LIZ KRUEGER: Yes. But you would then see it, and you would see it as an increase in the actual cost, separate from and unrelated to the tax question.

Again, where the tax is collected is much further back in the food chain, so to speak, on gasoline than at the front desk between the shopper and the clothing store. So again, I will say it's not a parallel

argument.

Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senators.

Senator Klein.

SENATOR KLEIN: Thank you, Mr. President.

Would Mr. Lanza yield for a few questions?

ACTING PRESIDENT MORAHAN: Senator Lanza, will you yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR KLEIN: Thank you.

Again, through you, Mr. President, my question to Mr. Lanza is, have you looked into the other states that have actually instituted gas-tax holidays?

One of the -- just to sort of give you an outline, since 2000 there's been four states, Florida, Georgia, Illinois, and Indiana, who have instituted gas-tax holidays. Are you familiar with those states and their

experiences?

SENATOR LANZA: Mr. President, the question have I looked into other states, as I've said before, every week I look into the State of New Jersey and I see that the price of gasoline there costs significantly less than it costs in this state. And when I look further into what's happening in that state, I find that they impose a lower tax on the price of gasoline.

And so I know, because of the experience in that state and experience in other states, that by reducing the -- by eliminating the tax that we impose of 32 cents, that I know the price of gas will go down in this state.

SENATOR KLEIN: Again, through you, Mr. President. Mr. Lanza, I'm not questioning --

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR KLEIN: I'm sorry.

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The

Senator yields.

SENATOR KLEIN: Mr. Lanza, I'm not questioning your passion. I'm trying to alleviate some of the taxes on gasoline.

However, we are talking about instituting a gas-tax holiday, and I think it is important to see the experience of other states.

The states that I did mention have not had good results. As a matter of fact, they did away with the tax holidays because they found that the consumer was not sharing in the savings, the money wasn't going directly to them, so they did away with that.

So again, have you looked at those other states and their experience with this specific proposal?

SENATOR LANZA: Mr. President, in the reading that I have done, some have suggested that because the price of gasoline has gone up juxtaposed to a reduction in the tax, that somehow it was because that tax savings was not passed along to the consumer.

But that ignores the very basic reality that gasoline at its fundamental

level, across the country, has gone up, because of the price of crude oil, other factors of supply and demand.

And I guess the question I have is, does that question from my good colleague suggest that he believes that if we were to eliminate the gas-tax cap that we presently have in place in New York, does he believe that the price of gasoline would not go up?

Of course it would go up. If we doubled the tax on gasoline today -- because gasoline is at $4 a gallon; we tax it only up to the price of $2 a gallon -- does anyone here believe that if we eliminated that cap, the price of gas wouldn't go up? Of course it would. Of course it would.

When you raise taxes, the price of things go up to the consumer. When you lower taxes, the price of things go down, whether it's gasoline, milk, bread, eggs. That's just basic economics.

SENATOR KLEIN: Again, would Mr. Lanza continue to yield, Mr. President?

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, Mr. President.

SENATOR KLEIN: Again, we talked a little bit before about lost revenue. And certainly our state gas tax goes to roads, bridges.

How are we going to make up for the loss -- and I think the number you cited was $600 million. According to my conversations with the State DOT, it's closer to $629 million in lost revenue. How would we make up that shortfall?

SENATOR LANZA: Mr. President, through you. First, again, we arrive at that number by a very simple formula. We take the number of gallons of gasoline, multiply it by 32 cents, we spit out a number.

Of course, as everyone understands and appreciates here, the economy is far more complicated than that. We know, from common experience and from prior experience, that when you lower the prices of goods that there's an economic stimulus provided.

The same way I fill up my tank with gas from New Jersey to save money, many people

in surrounding states -- Connecticut, Vermont, Pennsylvania -- maybe Canada, they'll come to New York, the way I go to New Jersey, to avail themselves of the lower price of gas.

And a funny thing happens on the way to New York when you come here to fill up your car with gasoline. You might stay here a little while. You might shop here. You might decide to take a trip to one of the beautiful places, one of the many beautiful places we have, from Long Island to Niagara, Rochester, the Finger Lakes, Lake George, Staten Island. A beautiful place; Senator Savino will tell you.

Many beautiful places. New York City. I said Niagara Falls -- the list is endless. It's endless. We happen to be blessed to live in one of the most beautiful states in the union.

So we know people may visit here, there may be increased tourism, people will shop here, people will dine here.

So I don't know what that number is. That's the worst-case scenario, the worst-case scenario. And no one in this room

can tell you what that number is. I believe it will be far less. I believe that the impact here will be far less, because it will provide an economic stimulus.

But let's say there is a cost. Let's say there is a cost. We spend too much. That's what the Governor says. The Governor says -- a Democrat -- says we spend too much in this state. And we do. All the fiscal watchdogs say we spend too much. And we do.

You know, families are suffering. Families are suffering. They have to do more with less today just to make ends meet. Government could do more with less.

So if there is a cost, Senator, we can work it out. All of us in this room, we can work it out. We can make government leaner and more efficient, because that's what people deserve. People deserve relief, and they deserve an efficient, leaner, more responsive government. And this is the time to do it.

The argument can also be made -- does anyone here believe, does anyone here believe -- because the question was, the

question was if we have less money because of this, we'll have less money to do one specific thing, roads.

We also have another dedicated revenue stream in this state, the Lottery. It's for education. Does anyone believe that if somehow we took in less revenue from the Lottery this year that we're going to spend less on education?

Of course that's not going to happen. We'll find a way to meet the priorities of this state. We can do that. That's our job. That's our job. So if revenues from the Lottery come down, we'll find a way to meet our educational priorities.

And if revenue were to happen to come down here, we'll find a way to meet our priorities when it comes to our roads and bridges in this state.

You know why? Because I have faith in this body. I have faith in government. At the end of the day, we'll do the right thing and we'll find a way.

SENATOR KLEIN: Thank you, Mr. Lanza.

On the bill, Mr. President.

ACTING PRESIDENT MORAHAN: Senator Klein, on the bill.

SENATOR KLEIN: As I said earlier, you know, I don't question Senator Lanza's passion on this issue.

As elected officials, it's our duty to be responsive to our constituents. And certainly I don't think any of us can go to any town meeting or shop in our local supermarket or go to our local gas station without our constituents talking about the high price of gasoline.

It was said earlier this is one of those issues where our role is really limited. This is something that has to be dealt with on a national policy. And I think it's worth mentioning, without being overly partisan, that during the Bush administration we have seen gas prices skyrocket.

It is our job in the state to do something to help alleviate some of that burden. As Mr. Lanza did mention, and according to a New York Times article that I read the other day, the savings to the average

driver, if we did away with the tax under this legislation, would be a savings of $55.45. It's something. It's clearly not enough.

And if we want to really take this issue seriously, we really have to contact our Congress members and really have something done concrete on a national level.

We also have to, I think, revamp our environmental policy, make us more efficient, really look for alternative sources of fuel and energy. These are the things we clearly have to do.

But at the same time, if we're standing here today trying to save our constituents some money by doing away with the tax during the holiday season, I think it's incumbent upon us to do the right thing. And I think doing the right thing would be through a targeted tax-rebate program. We want to make sure our constituents get this money. And if we adopted such a program today, we can ensure that they would do just that, get the savings.

We can also do it according to income. And I have some figures here that we

looked at. If you actually institute a gas-tax holiday -- and let's say, just for argument's sake, we set the income level at $150,000 a year for a family -- that would cost the state $320 million, far below the $600 million under Mr. Lanza's plan today.

So while at the same time -- I want to listen to my constituents. I want to make my constituents happy on this issue. But I think the way we go about doing it is to make sure they get the direct savings. And I think the way we do that is through a targeted tax rebate.

So at the same time, I'm going to vote yes today. But I'm frustrated. This is a one-house bill. And I'm glad it's a one-house bill, because it's really not going to do anything.

I'm hopeful that we're going to come back, work with our colleagues in the Assembly, hopefully allow us in the minority to work with the majority to put forth a real program, a targeted tax rebate, so we can go home and we can talk to our constituents and say: We did the right thing, we truly helped

you save money on the high price of gasoline.

Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator Klein.

Senator Connor.

SENATOR CONNOR: Thank you, Mr. President.

Mr. President, how did we get here? Why are we here with these huge, huge gasoline price increases? It was predictable, Mr. President, when you have someone running the United States of America with a secret energy policy whose last job was an executive for an oil company, and when you also -- that's Mr. Cheney -- when you also have a president whose last job was an oil company executive.

And then when you look at the record obscene excess profits that the oil companies are making, it doesn't translate. Yes, oil by the barrel has gone up. And you would expect prices to rise. But the oil companies are making excess profits.

You know, somebody said, well -- I heard someone on TV the other day say we

should have an excess profits tax. And some -- oh, how could you do that? Well, we're at war, aren't we? Isn't at least some of the cost of the energy increase because of war in Iraq? We also have a war in Afghanistan.

In World War II there was an excess profits tax that large corporations that made extraordinary profits during that time period had to pay. Why isn't our national government doing that? What can we really do about it?

You know, I respect that Senator Lanza said his bill is just eighth-grade math. The problem, Mr. President, is it's eighth-grade policy. And I'll tell you why.

Listen, when I was a kid we looked forward to that week in July when the factory closed for inventory. I didn't know what inventory was; I just knew it was good my dad didn't have to go to work. We piled in the Chevy and we drove to the seashore.

Everybody has -- I will not yield till I'm finished, Mr. President. I'm still at the seashore.

(Laughter.)

SENATOR LANZA: Will Senator Connor yield?

SENATOR CONNOR: No. No, Mr. President. When I'm finished, I'll be happy to yield.

So we're at the seashore, and it was a great week. And so this bill harkens people back to that, doesn't it? Oh, we're going to give the families a break in the summer.

Let me ask you a question, Mr. President. Why isn't it just as important that someone can afford in early May to take a relative to daily doctor's visits when they have some ongoing treatment as it is for somebody to take their kid to the seashore in July?

Or, Mr. President, I understand giving relief to families. Why isn't a shivering family in December, facing higher home heating oil costs, why isn't it important to give them a break, or more important or just as important as, you know, the summer traveler to someone who wants to get in their car in August and go touring around New York

State?

That's why I say it's poor policy. It's a gimmick, Mr. President. It's a gimmick. It's a summer gift. Every kid likes that, getting out of school for the summer. That's why I say it's an eighth-grade policy. And it has that appeal to, ah, gee, the summer, you know, wonderful summer days, long summer days. What about cold winter nights and home heating fuel? Why are we giving no breaks then?

It's poor policy, Mr. President. It's poor policy because it's going in the wrong step environmentally. There's no guarantee that the consumer will benefit, given the way gasoline is priced, zone pricing and other pricing.

Mr. President, I know a bit about New Jersey. Interesting thing about New Jersey -- and I'm sure Senator Lanza knows this -- is you don't pump your own gas there. There's no -- it's against the law. Gas stations have to hire people. Some of them have two and three people pumping gas. They get work out of it.

And I think most stations I've been in, because I had to go down to my mother's a lot last year, they're immigrants. They get, at one gas station, two or three shifts going on. And their prices are cheaper than ours.

And I suggest it's not just taxes. Yes, New Jersey has the third-lowest gasoline taxes in the nation. It doesn't account for the difference. One thing that may account, they say, is, well, New Jersey has more refineries. It has refineries in Linden, in North Jersey, a string of refineries in Paulsboro, down in -- I guess that's below Camden. My uncle used to drive a gasoline truck there, president of the union, out of the Paulsboro refinery.

And in deep water, down by the Memorial Bridge, there are more refineries. It's also known as "Cancer Alley" in New Jersey. That's another issue. Not unrelated to the refineries, I'm sure.

The fact is, though, it's a shorter distance from Linden, New Jersey to Brooklyn, New York than it is from Linden, New Jersey or Paulsboro, New Jersey to Trenton, New Jersey.

So it's not just, oh, they have so many refineries nearby, it's a transportation issue. It's not that.

Why aren't we looking into price structures for New York? Why is the basic price, excepting the tax -- you take the 32 cents off, New Jersey's gasoline is still probably, on average, a quarter a gallon cheaper than ours if you took our tax off. Why is that? And it's more expensive in service stations, because they have to have people there to pump gas. There's no self-service.

So it's not just the taxes are lower there. The gasoline is lower. The pricing is lower, the pricing by the oil companies and the fuel distributors. Somehow or other we're getting gouged in New York. So it's not just about this tax.

You know, I just don't see the policy behind this. I understand the desire to give people something or give people the appearance of something. But from a policy standpoint, I just don't see why we want to encourage people to drive around all summer,

and we think that's worthy of a $500 million or $600 million subsidy, as opposed to helping out people -- if I represented, particularly -- you know, New York City is very efficient when it comes to heating in apartment buildings. I mean, any environmentalist will tell you it's more environmentally sound.

For people who live in the suburbs or represent the suburbs or upstate, I would be more concerned about the cost of home heating fuel and what are we doing to help people there. They don't need it in July and August.

So the policy choice here is a false one. It's illusory. It doesn't answer the basic, fundamental problems, Mr. President. It just doesn't do it. It is eighth-grade policy, and it will have a lot of appeal for eighth-graders.

But thinking New Yorkers are going to look at this and say: What about April? What about September 15th? And what about a very cold December or January? What are you doing for me there? You're trying to divert

my eyes in the summer when things are free and easy, and you're not really doing anything to relieve the problem of much too costly gasoline, much too costly fuel products in general in New York State.

Mr. President, I intend to vote no.

ACTING PRESIDENT MORAHAN: Thank you, Senator Connor.

SENATOR CONNOR: I'll yield if the Senator wants.

ACTING PRESIDENT MORAHAN: Senator Lanza, why do you rise?

SENATOR LANZA: Would Senator Connor yield to a question?

ACTING PRESIDENT MORAHAN: Senator, will you yield?

SENATOR CONNOR: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR LANZA: Senator, you talked about the oil companies gouging and that's the real problem.

Senator, why do you believe that oil companies making 10 cents a gallon is

gouging and that New York State charging 32 cents a gallon is okay?

SENATOR CONNOR: I don't know that oil companies are making 10 cents a gallon, Senator, to tell you the truth.

I know last year's reports showed record profits for oil companies. All the large oil companies made record profits. And, you know, I read that in the Wall Street Journal, the New York Times. That's an acknowledged fact.

I have no sympathy for the oil companies. They're not doing badly. In fact, I have a lot of disdain for the fact that they are making, on top of what is a world oil-price increase, obviously, in the per-barrel cost, the fact is the oil companies are making, in my opinion, an excess on top of that.

SENATOR LANZA: Mr. President, would Senator Connor continue to yield?

ACTING PRESIDENT MORAHAN: Senator Connor, do you continue to yield?

SENATOR CONNOR: Certainly, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator continues to yield.

SENATOR LANZA: Senator, you suggested that this bill misses the mark because it only removes the tax during the summer months. Would you support this legislation if it were to eliminate the tax throughout the entire year?

SENATOR CONNOR: No, I wouldn't. Mr. President, I wouldn't.

What I would support is some sort of rebate plan that offered a rebate to consumers for their consumption, whether it be home heating fuel or gasoline.

You know, the problem, Mr. President, with Senator Lanza's bill is it rewards people who drive automobiles, potentially, if it gets passed along -- that's a big if -- and it does nothing for people who don't drive automobiles but have to buy home heating fuel or other petroleum products whose costs have risen astronomically. It does nothing for them.

So I would support, Mr. President, what I would support 12 months a year is a

rebate program that, based on income structure, allows a rebate to people at the end of the year for the cost, the taxes on their consumption of not just gasoline but other forms of petroleum products.

SENATOR LANZA: Mr. President, would Senator Connor yield for one more question.

ACTING PRESIDENT MORAHAN: Senator Connor, would you yield for one more question?

SENATOR CONNOR: Absolutely, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR LANZA: Senator, I suggested in my discussion before that the math involved in arriving at the fiscal impact that's stated in the bill is easy enough for an eighth-grader. You went further to say this is eighth-grade policy.

Senator, I know eighth-graders, and eighth-graders, unlike adults, often sit around and blame each other for things that they do, point the finger, talk about how to

avoid responsibility. They want to blame everyone else.

Isn't, Senator Connor, your rationale here really an eighth-grade rationale, to say that the reason why we shouldn't do this is because it's someone's fault in Washington, someone's fault in the Middle East, someone else's fault? Shouldn't we as adults, Senator, shouldn't we take the action that we can take and deliver results?

We can talk about all those other things, and I agree with many of the things that were said today. We should talk about those things. We should discuss them. We can go further than this. But shouldn't we, as adults, shouldn't we, as representatives of the people of this state, shouldn't we do what we can do that will deliver relief? As opposed to sitting around like eighth-graders and pointing to all the reasons why we can't do something and blaming all the people we believe got us to the point that we're in today?

SENATOR CONNOR: Mr. President, I think what we should do as responsible

legislators is not drive a $500 million or $600 million further hole in our budget in order to give 12 weeks or 13 weeks of gratification to those who drive automobiles, rather than adopt a policy that applies to all New Yorkers every month of the year that will give them some relief from the extraordinary increased expenses that they're undergoing.

So that's real policy. A policy that says we're going to give you off July and August has a lot of appeal to grade-school kids. You know, I used to question children and say "What if we passed a law and we had school year-round?" And they'd all go: "No, no, no, no." Certainly had appeal to me, getting the summer off.

But that's not adult policy, Mr. President. That's not grownup policy. Grownup policy is figuring out what the State of New York can do to help all New Yorkers who are struggling with the increased cost of all forms of fuel oil, not just gasoline.

Now, some of the things we've done, Mr. President -- like Senator Marcellino's bill, other bills, three bills that we passed

earlier today -- they are, in my opinion, what responsible adult legislators ought to do, come up with policies that take us in the right direction environmentally, from an energy-conservation standpoint.

And yes, they have a cost. But I'm willing to forgo, for example, the sales tax receipts on hybrid vehicles, because I think sound public policy, grownup policy says that -- encourages all New Yorkers to do something that will help all of us.

Eighth-grade policy, Mr. President, says let's give everybody the summer off and hope they're all so silly happy with good weather that they don't think about the bigger problems.

SENATOR LANZA: Mr. President.

ACTING PRESIDENT MORAHAN: Senator Lanza.

SENATOR LANZA: I do have one last question, I promise.

SENATOR CONNOR: I'll be happy to yield, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator will yield, Senator Lanza --

SENATOR LANZA: Mr. President, through you --

ACTING PRESIDENT MORAHAN: -- for one more question.

SENATOR LANZA: Yes. Senator Connor -- and through you, Mr. President -- talked about home heating fuel. As you know, we voted to eliminate and have eliminated the state tax on home heating fuel. In fact, we also eliminated tax on clothing, we gave folks a tax holiday on clothing.

Senator Connor, did you support and vote for those measures? And why is your support of those two measures different from the argument being put forth in support of this tax holiday for the people of the State of New York?

SENATOR CONNOR: Mr. President, that's the point: holiday.

Life's not a holiday, Mr. President. It's not a holiday for New Yorkers who are struggling to pay their bills. It's not a holiday for people who must drive their automobiles to work, not just to the beach.

I really fail to see why someone who is forced by their geographic circumstances to drive to work every day, to drive to work in early May, to drive to work in late September, shouldn't be getting -- in my opinion, that person, tax-paying person with a job, we ought to be worrying about them, not where they're going to drive on their vacation, if they get one.

And not every working New Yorker, Mr. President, unfortunately, gets a vacation. Lots of people work day in and day out and they don't get a vacation.

Years ago, with Assemblyman Barbaro, I sponsored a bill to mandate every worker in New York State be given paid vacation every year of at least a week. And you should have heard the cries, Mr. President, from businesses and others, how could we do this.

So, you know, maybe in the wealthier parts of the state, and some middle-class parts, people do get that summer vacation. But not everybody gets a vacation.

I'm concerned about the families

that have to use that automobile to get their kids to school or their kids to camp so they can go to work, or certainly during the year, and they go to work every week of the year, not just in July and August. So I think that's why we have -- I don't like holidays.

Now, a sales-tax holiday is quite different. And I think Senator Liz Krueger absolutely demonstrated why a sales-tax break is different than the fuel tax. And I won't repeat it; she did it quite well.

But, you know, it's one thing to say let's have a sales tax holiday just before school goes back, so plain working folks who -- they're not going out to buy a wardrobe, they're not going out to get the latest fashions, they're taking the kids to get them sneakers and jeans or chinos or whatever they wear, and a couple of shirts, to go to school.

Why are they doing it? Well, your kids have a way of going like this (indicating) and getting bigger and bigger. So it's not a frivolity, it's not a frill that you have to take your kids shopping before

they go back to school. Usually in the summer they grow a couple of inches, when they're younger.

So that has real relief for working families, for middle-class families in New York State at that particular time. That's when people shop for back to school.

But a holiday from gasoline tax to me, Mr. President, doesn't make a lot of sense if what it means is they're going to have a holiday so they can go on holiday.

I don't begrudge anybody a good summer vacation, but I'm concerned about the men and women who have to work, the woman who has to drive to get to that job as a waitress in a diner, the man who has to drive to get to that job in a factory -- where they're left -- or in a retail store or whatever. And they have to go to work. They don't have to go on vacation, but they have to go to work.

That's why this is poor policy. It's a lighthearted, oh, we're going to do something for you, have a good vacation. If you get one.

Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Just for people's interest, the desk has received some requests on how many speakers. There's 14 more Senators who wish to speak on the bill or debate the bill.

Senator Larkin.

SENATOR LARKIN: Mr. President, with unanimous consent of the Minority, we would like to allow Senator Alesi the opportunity to vote.

Senator Alesi has a complicated medical appointment this afternoon, and we had like to see him get there so he can start running around instead of hobbling around.

At this time I'd like to ask that we read the last section and allow Senator Alesi to vote.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

The Secretary will read the last section.

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

ACTING PRESIDENT MORAHAN: Call

the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Senator Alesi.

SENATOR ALESI: Mr. President, if I may cast my vote in the affirmative.

ACTING PRESIDENT MORAHAN: Senator Alesi's vote will be recorded in the affirmative.

We will now withdraw the roll call.

Senator Larkin.

SENATOR LARKIN: Could we now return to the normal procedures.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Winner.

SENATOR WINNER: Thank you, Mr. President.

Obviously, I rise in support of this measure. And I'm a little astonished at a lot of the urban patronization that I've heard with respect to this measure.

Clearly in New York we have no ability to control the commodity price of gasoline. We have no ability to control most

aspects of the cost of gasoline. But we do have the power to control the levy, the tax levy that we impose from New York State on the cost of a gallon of gasoline.

I don't know about you; apparently those folks on the other side of the aisle haven't heard from their constituents with regard to their concern about gas prices. But I certainly have heard from my constituents with respect to the price of gas. And they're extraordinarily troubled. They want to know what we, as state legislators, are going to do about it. And I try to tell them that we don't have that much control over anything other than taxes.

And a few years ago we acted with regard to capping the amount of sales tax we can levy on a gallon of gasoline, and many people thought that that was a great idea. A lot of people on that side of the aisle thought it was a terrible idea and didn't think we were going to achieve the savings.

However, I can tell you, as someone who drives down the highway on the Pennsylvania border on a regular basis, it's

ironic that the difference between a gallon of gas in Pennsylvania versus the price of a gallon of gas in New York is the difference in taxes between Pennsylvania and New York. And that's a fact. That's not speculation. That happens to me every single day as I drive through my district.

So those who say that somehow the competitive aspects of this measure are not going to work are clearly deluding themselves and, further, only leading speculation that the real motivation behind not being in favor of this measure is because you want to spend the money on something else.

Now, my constituents want to have some relief at the gas pumps. And we can do that through this particular tax holiday. And while some of you have indicated -- or one Senator in particular, Senator Connor, has indicated that it's eighth-grade economics, I can tell you, let me tell you a little bit about eighth-grade New York civics.

In New York State, believe it or not, there's a phenomenon in our economy that is called the tourism economy, which is only

slightly ranking below that of the agricultural economy as being the number-one economic activity in New York State.

And you might not think that the people that work in that tourism economy matter, but they sure do in my district. And they are hardworking men and women every day who are struggling to make a living in the tourism industry, and they are extraordinarily concerned and afraid as to what the cost of gasoline is going to do to their economy and their livelihood this summer.

Now, we spend, believe it or not, millions and millions of dollars a year promoting the tourism economy. And we now have a Governor who has indicated that the "I Love New York" program needs to be spruced up, making changes to emphasize the "I Love New York" program in upstate New York.

And now we have a measure here to provide for some incentives for people to actually utilize some of the tourism attractions, visit some of them, and all we're hearing is: No, no, we can't do that, because we need to spend the money on something else.

Now, Senator Lanza pointed out very effectively that this is not a lose-lose revenue proposition. This has major incentives brought into it, particularly as it relates to the tourism economy. The amount of money that we are going to incentivize people to come into New York State and spend by virtue of having lower taxes for once in our life -- can you imagine New York State having less taxes than any other state for a change? I mean, what a remarkable prospect. But yet we have resistance. We don't want to do that.

But we can get people to come to New York State, save our tourism season this year by having this particular measure pass so that we can advertise on "I Love New York" that New York really is more affordable to come to.

Now, the environmentalists will say, Well, that's a terrible idea, we want everybody to walk. We don't anybody to drive. And therefore, we don't want anybody to go to any tourism attractions in the first place.

Now, that is pretty remarkable. But that is one of the arguments we're hearing

also from your side of the aisle, and that is let's use less gasoline. And while we all want to conserve gasoline, I want to use more gasoline if it's going to mean more tourism and more economic growth in upstate New York.

So, ladies and gentlemen, this is not perfect. Washington, you're right, has not acted. But the Democrat-controlled Congress hasn't acted either. They've done absolutely nothing, and they've sat still. So it's not just the Bush administration's fault for the cost of gasoline, it's that Democrat Congress.

And the other remarkable thing that I don't hear is you have a candidate, I thought, for President -- I think her name is Hillary Clinton. She's also the United States Senator from New York. She's calling for a gas-tax holiday. Isn't that a remarkable event? Having a gas tax holiday coming from Senator Clinton that most of you or many of you in this room support.

However, that's okay for her to do it, but it's not okay for us to do it? I mean, is there some disconnect here? I don't

quite understand.

So, ladies and gentlemen, for those that have tried to advocate some help and relief for upstate New York, some concern that used to be a mantra of support for dealing with the upstate economy, helping the upstate economy -- it is astonishing to me that here we have a measure that will directly help the upstate economy, the upstate tourism industry, the upstate tourism industry that is the number-two economic engine in New York State --

ACTING PRESIDENT MORAHAN: Excuse me, Senator Winner.

SENATOR WINNER: -- and all we're doing is getting resistance.

ACTING PRESIDENT MORAHAN: Senator, excuse me.

Senator Adams, why do you rise?

SENATOR ADAMS: Would the Senator yield for a question, please?

ACTING PRESIDENT MORAHAN: Senator, would you yield for a question from --

SENATOR WINNER: Certainly.

Certainly.

ACTING PRESIDENT MORAHAN: Certainly he will.

SENATOR ADAMS: Through you, Mr. President. There are two candidates in the race. Could the Senator tell me what the candidate leading in the race, what his position is on the gas tax?

(Laughter.)

SENATOR WINNER: Senator, could you repeat the question? I couldn't quite hear you.

ACTING PRESIDENT MORAHAN: Senator, repeat your question.

SENATOR ADAMS: Yes. The Senator indicated that there's a presidential candidate that supports this. My question to the Senator is that there are two candidates in the race. The candidate that is leading in the race, what is his position on this?

SENATOR WINNER: Is he leading in the popular vote or the delegate vote or the superdelegate vote? I don't know which vote -- I don't know which way you're leaning these days. I get confused every time --

ACTING PRESIDENT MORAHAN:

Senator -- Senator, I believe he's leading in both categories.

SENATOR ADAMS: Thank you.

SENATOR WINNER: You're welcome, Senator.

So in conclusion, Mr. President --

ACTING PRESIDENT MORAHAN: Thank you, Senator.

SENATOR WINNER: -- this measure is clearly something that is needed in upstate New York, something that was heard as a clarion call for action by many on your side of the aisle as well as our former Governor and certainly our current Governor, who believes that the upstate economy matters.

Here is something that is a direct measure that will help the tourism industry in upstate New York, will provide for some relief, gives us an opportunity to market our advantage, for once in our life, as far as being a destination, affordable destination to take advantage of our tourism destinations and spend money in our upstate communities and mitigate against any potential costs of this

measure, and provides for some needed relief to the hardworking men and women who have to use their cars to get to work, go to the doctor, and hopefully drive to upstate New York and other tourist destinations in New York to take advantage of our tremendous opportunities.

Thank you, Mr. President. I support this measure.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Maziarz.

SENATOR MAZIARZ: Thank you, Mr. President. On the bill.

ACTING PRESIDENT MORAHAN: Senator Maziarz, on the bill.

SENATOR MAZIARZ: Mr. President, actually when I asked permission to rise today, I was going to ask the sponsor to yield for two questions. And those two questions were answered by Senator Winner.

You know, I think we talked about bipartisanship. I think Senator Klein and Senator Connor both mentioned about the administration in the White House. I think

Senator Winner did a very good job of pointing out how it's not just the administration in the White House; you know, that both houses of Congress are controlled by one political party, and there never has been a same-as bill that went to the White House that the President could have signed to immediately give the impact, the price-reduction impact that this bill would do.

My other question was going to revolve around the junior U.S. Senator from the State of New York. Senator Krueger talked about bipartisan support for this legislation.

And I know that I asked Senator Lanza privately if he had spoken recently or even seen in New York recently the junior United States Senator from the State of New York. Of course we all know, particularly Senator Perkins knows that she hasn't spent much time here lately. She's had other issues. But through press reports we know that the junior Senator supports a bill identical to this bill, almost, on the federal level, to lower it there.

This is about lowering the cost to

working people in Buffalo and Niagara Falls and Rochester and Syracuse and Albany and across the state, New York City and Long Island, everywhere. This would give immediate relief.

Senator Duane asked about hearings. You know, I don't know what we need -- I held three hearings on this particular issue, Tom. They were all at Wilson Farms Convenience Store on the corner of Walck Road and Nash Road in the City of North Tonawanda. And I can tell you, there were environmentalists there, there were hunters there, there were senior citizens, there were young people.

And across the board, Tom, at those hearings, they want gas tax relief. They want the price of their gasoline to come down.

I venture to say, as we go forward, that the two candidates for president, John McCain and one other one, will probably see the light on this particular issue and they'll all be talking about the high cost of gasoline. And maybe then the federal government will act on it. But until that time comes, I think this is a good move, it's

an immediate move to provide tax relief.

Thank you, Mr. President. I'm glad I didn't have to ask Senator Lanza those questions. Thank you.

ACTING PRESIDENT MORAHAN: Thank you, Senator Maziarz.

Senator Hassell-Thompson.

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. On the bill.

ACTING PRESIDENT MORAHAN: Senator Hassell-Thompson, on the bill.

SENATOR HASSELL-THOMPSON: I had some questions too, but I don't think that my questions will be answered, so I'll just speak on the bill.

Because I think that one of the things that's clear is that it's right for us to be responsive to our hard-pressed New Yorkers, particularly our workers, our farmers, small business owners, all of those whose wages and profits are being eaten up by high gas prices.

But one of the problems is -- and this is where the sticky wicket is for me -- as long as local governments have the option

of waiving local sales tax, and there's no guarantee that this is going to go into the pockets of these individuals, these families --

ACTING PRESIDENT MORAHAN: Excuse me, Senator.

Senator Lanza, why do you rise?

SENATOR LANZA: Would my colleague yield for a question?

ACTING PRESIDENT MORAHAN: Senator, would you yield for a question?

SENATOR HASSELL-THOMPSON: Certainly, Senator Lanza.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR LANZA: Through you, Mr. President.

Senator, it seemed as though you had an interest in asking questions but believed that you would not receive answers.

I want to assure you, Senator, we may have differences of opinion on this and other issues, but I will always do my best to work with my colleagues, whether Republican or Democrat, to answer any concern that you might

have.

So my question to you is, do you have questions for me?

SENATOR HASSELL-THOMPSON: Yes, I do. I have one question.

SENATOR LANZA: If so -- if so, I'd love to answer them.

SENATOR HASSELL-THOMPSON: Okay. Do you --

ACTING PRESIDENT MORAHAN: Senator, do you yield now for a question that you asked for?

SENATOR LANZA: Yes.

(Laughter.)

ACTING PRESIDENT MORAHAN: Senator, he yields.

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. Through you.

Senator Lanza, the one question that I really have is that if you want to work with us, pull the bill. Are you willing to pull the bill?

ACTING PRESIDENT MORAHAN: Senator Lanza.

SENATOR LANZA: Through you,

Mr. President, absolutely not. The people cannot wait.

This is an answer to your question. Will I pull --

SENATOR HASSELL-THOMPSON: You answered my question.

SENATOR LANZA: I will not, because the people need results. They need relief. And they need it now. They can't wait for us to keep talking about it.

We can keep doing that. We will keep talking about this and keep finding better ways to go even further. But right now, this is what we can do now that will deliver real results and real relief to people.

So, Mr. President, I will not pull this bill because the people back home are counting on us, I believe, to pass this legislation and get it chaptered.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. Let me continue. And now you can understand why I didn't ask the

question.

My concern is the same as yours, is that the people in our communities need relief. But there is nothing, Senator Lanza, in this bill that guarantees that that money savings is going to go into the pockets. Because you have given local government the opportunity and the authority to waive, you cannot guarantee that any of the workers that we're concerned about, any of the farmers that we're concerned about, that there's a guarantee that they're going to receive these benefits.

When we did the last tax savings, the county executive in my county refused to pass that savings on to the consumer. He said that it was in his purview to do with tax savings what he chose, and it went into the general fund. We never saw it.

In New York City, each of the counties in New York City experienced the same thing. Bloomberg did not pass that savings on to the counties and to the communities.

There is nothing in this bill that tells me that if I were to go back home and

say that I voted for this bill, that they could guarantee that whatever the savings -- whether it's $30, whether it's $50, whatever that savings -- and $50 is significant -- Senator Lanza? Fifty dollars is significant in my community.

I represent a part of Westchester, but I certainly don't represent the most wealthy part of Westchester. I represent the working class and poor people who are on welfare. And those who do have cars and do have to use their cars for work, $50 or $25 a week makes the difference. It makes a difference to me, so I know it makes a difference to them.

So please do not believe that we are ignoring that. What we're concerned about is what is it that this bill will do that will guarantee that what you say will happen, will happen. Because I can't go home and lie to the people in my district and say: You're going to get this savings, I know you are. This is not like the bogus check that's supposed to come from Washington that they never got. There are people who are still

waiting for STAR that they never got.

Every time we promise something and we cannot deliver it, that makes my polls go down. And it impugns my integrity. I cannot vote for a bill that does not help me to ensure that the people in my district are going to benefit the way we say.

And it isn't about oil prices and who's at fault and who's responsible. This bill is supposed to be an action that we as state legislators are taking in order to give relief to the people in our communities. And unless there is a demonstration to me that that relief is coming, then I cannot vote for this bill.

Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Craig Johnson.

SENATOR CRAIG JOHNSON: Thank you, Mr. President. On the bill.

ACTING PRESIDENT MORAHAN: Senator Johnson, on the bill.

SENATOR CRAIG JOHNSON: Thank you, Senator Lanza, for introducing what I

believe is a very important piece of legislation. I see this as reasonable people with reasonable positions can differ.

The fact is is that our residents all across the state, and in particular Long Island, are hurting right now. You can drive from the Queens-Nassau border all the way out to the Hamptons, from my district out to Senator LaValle's and Senator Trunzo's district, and see the rising gas prices even at the pump from going west to east.

And there's no doubt that legislation that comes before us sometimes has imperfections. And obviously, in hearing the debate, my colleagues have some real concerns about whether or not there's going to be a real, tangible savings put into the wallets of our consumers with respect to this legislation.

Now, what's interesting is Senator Clinton's, Hillary Clinton's plan was referenced in this debate. And what's important to recognize, and an important component -- and even members of my own party differ on whether or not it's a valuable

plan -- is that she wants the oil companies to cover the freight when it comes to the tax. Same oil companies making record profits, take a little bit out of their pocket to help out our residents across the nation.

There's nothing in this legislation that would address that. And maybe when it passes this house, and I'm hopeful it passes this house, that we can go back and address that issue.

Maybe we can go back and address the issue of criminal price gouging. Because watch the news today, go home when we go home and watch the news tonight. No doubt on one of the major news channels someone will talk about gas hitting $5 a gallon this summer. No doubt someone will talk about it maybe hitting $6 a gallon. Somehow we have to address the gouging issue.

Because my concern is that notwithstanding the savings we put back to our residents, what in this bill stops a wholesaler or a gas company from simply marking up the price? That's something we should probably address going forward after

today.

But the fact is is that our residents -- and you and I listen to them every day, and we hear from them every day -- need action now. They need some form of relief now. They don't need to hear the talking.

And quite frankly, what we also need to see is some action from the Assembly side on this legislation. And obviously I will speak to my colleagues in the Assembly, just like I hope my colleagues in the majority do the same thing. Because it's not about finger-pointing.

And I agree with you, Senator Lanza, the finger-pointing has to stop, because that doesn't help our constituents. They do not want us up here to finger-point. They want us to help them.

And so if it's a choice between a bill that has some flaws or a choice between doing something for our residents, I'll do something that helps our residents.

I appreciate the efforts, and this is a good bill. And I'll work with you,

Senator Lanza, to strengthen the bill. I think we need to, in a bipartisan manner, Democrats and Republicans working together to help improve the lives of our residents.

So when it comes time to vote, Mr. President, I will be voting in the affirmative and supporting this piece of legislation. Thank you very much.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Diaz.

SENATOR DIAZ: Thank you, Mr. President. On the bill.

ACTING PRESIDENT MORAHAN: Senator Diaz, on the bill.

SENATOR DIAZ: I am very glad to hear my Democratic colleague, the great Senator from Long Island, Craig Johnson, indicating his intention of supporting this bill.

That proves something. That proves that this is not Republican against Democrat. I'm a Democrat. I'm just going to repeat myself. You heard the democratic Senator from Long Island, Craig Johnson, expressing his

support of the bill.

This is one of those pieces of legislation that we should not be looking -- that it should not be looked at as Democrat or Republican, but looked at as an independent.

We should know that the people in the 32nd District in the Bronx, which I represent, every time that they go to buy gasoline, they're paying taxes not one, not two different taxes, not three -- four, four different taxes. The people in the Bronx, which I represent, they pay, for every gallon of gas, for every gallon of gas that they purchase, they pay 16 cents on something called state petroleum business tax. State petroleum business tax, 16 cents per gallon. They pay 8 cents per gallon for something called state sales tax. And they pay 8 cents a gallon for another tax called state motor fuel excise tax. And then they pay 14 cents per gallon for the local tax.

So they pay 32 cents per gallon throughout the state. And the people in my district pay 14 cents extra per gallon, which would be 56 cents per gallon for the people

that I represent.

You know, if we are going to blame and play the blame game, we have plenty to go around, plenty to blame. We could be here the whole summer blaming Bush, Cheney and the Republicans. And there is plenty there to blame Bush, to blame Cheney, and to blame the Republicans for the increase in the oil.

But, ladies and gentlemen, we could also blame the democratic Congress of America, the Senate, the U.S. Senate controlled by Democrats, and the U.S. House of Representatives controlled by Democrats. So we want to blame? We could blame Cheney, Bush and the Republicans, or we could blame the Democrats, because they've got the power to do something and they haven't done it either.

So if we're going to play the blame game, Cheney, Bush? Nah. The Democrats, the Senate and the Congress? They both are to blame.

But also we could keep blaming. We could keep playing the blame game and we could blame the greediness of the oil companies. They make billions of dollars in profit while

the people suffer. So, see, we could blame Bush, Cheney, the Republicans? Nah. We could blame the Democrats in the Congress, the Senate and the House of Representatives, even though we have, in New York, the people that are the chairman of the Ways and Means Committee and the one powerful committee that's -- so we could have blame. We could blame the oil companies, they're greedy. They're greedy, greedy, greedy, greedy. Billions of dollars in profit while the people suffer.

Or, if we don't want to blame Bush and Cheney and the Republicans, if we don't want to blame the Democrats, the Democratic Congress, we don't want to blame the oil companies, we could blame the environmentalists. We all know that there is enough oil here in the nation, enough oil so we could end the dependency on foreign oil. So we got enough oil here, but the environmentalists don't allow the federal government to drill in the places where we got oil.

So if you don't want to blame Bush,

Cheney, you don't want to blame the Democratic Congress, you don't want to blame the greediness of the oil companies, and you don't want to blame the environmentalists, then we could blame the fiscal analysis. The money doesn't go to the people that are supposed to get the money. I'm going to tell you that the people in the Bronx, they pay $4 to cross the Washington Bridge, $4, to fill the tanks. Because there, they save, because the taxes there in gas are lower. People pay the toll, $4, go there, fill up the tank and they're still saving money.

So when we say in the fiscal analysis people won't get the money, I don't know what we're talking about. Because we pay less taxes and people go and fill the tanks, that's money that we pay.

But if we don't want to blame Bush, Cheney, and the Republicans, and we don't want to blame the Democratic Congress and the New York State delegation in Congress, and we don't want to blame the greediness of the oil companies, and we don't want to blame the environmentalists for not allowing us to drill

and get the oil that we need, and we don't want to blame the fiscal analysis, then we could blame you guys for not consulting us and not allowing us to be part of this thing.

So a lot of things to blame. We could blame -- we could be here blaming and blaming and blaming and blaming and blaming. And as I said before, this is not a piece of legislation that we have to be looking at as a Republican, as a Democrat, or as independent. We have to be looking at this as what is best for the worker of New York State, what is best for the workers. We have to be looking at this piece of legislation for what is best for the families of the State of New York.

We have to be looking at this piece of legislation of what is best for the middle-class New Yorkers who are watching, watching closely for government action. We have to look at this piece of legislation of what is best for the small business owner whose wages and profits are being eaten up by the high price of gas.

We have to be looking to this piece of legislation of what is best for the

lower-wage workers who are now paying up to a quarter of their income for gas for get to work. We have to be looking at this piece of legislation for what is best for those New Yorkers who are on the brink between work and welfare due to the high price of gas.

So, ladies and gentlemen, I'm not going to fall into a blame game. I'm not going to blame Bush and Cheney, even though I know there is a lot of things to blame. I'm not even going to blame my party, my Democratic Party. I'm a member of the Democratic conference that controls the Congress and the U.S. Senate, and they have the power to do something, but they are not doing it.

I'm not even going to blame the greediness of the oil companies, because I'm a State Senator. I'm a State Senator. I can do nothing with the prices of oil. I cannot do nothing for stopping Bush from doing whatever he wants to do. And I cannot do nothing in Congress. I'm not a Congressperson.

I'm not even going to blame the environmentalists, because they want to

protect animals and the environment. In order to protect those animals and the environment, they are not allowing people to drill. So by not allowing us to drill, we are depending on foreign oil. But we could drop that. We could drop the dependency on foreign oil if we drill here in America.

I'm not even going to blame the fiscal analysis. I'm not even going to blame anything. I'm just going to say, Senator Lanza, I'm going to join my colleague from Long Island, the great Senator from Long Island, Craig Johnson, a Democrat like me, to join you and to show and to send a message that this is not a Republican or a Democrat, this is something that is going to bring some kind of relief to the people of New York.

I do like you, Senator Lanza, I go to New Jersey. I do like you, I go to New Jersey, fill up my tank, and I save -- I save, coming up, about $6 coming up. Now when I leave today, I'm going to go to New Jersey, fill the tank again, and I save another $6.

So I'm with you. And I'm getting the money. The money -- I am getting the

money. I am -- that savings is coming to my pocket. So when people say how we're going to be sure that the money goes to the consumer, I'm telling you, I'm proof of that every week when I come here.

So, ladies and gentlemen, I am voting, I am -- I intend -- no, no, can I vote now? I'm voting yes. Proudly yes. Because the people of the 32nd Senatorial District in Bronx County deserve -- taxi drivers -- taxi drivers, bodegueros, senior citizens, nurses doctors, police officers, firemen, my wife, us. We all want to be benefitting from this piece of legislation that is bipartisan here, okay, because Craig Johnson and me are with you guys.

Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator LaValle.

SENATOR LaVALLE: Thank you, Mr. President. I'm going to be very brief, because a lot has been said on this bill.

But one of the things -- I've heard a couple of things that have kind of inspired

me to get up and speak. Because when I sit here and I listen to colleagues say this bill is about making constituents happy, making constituents happy, that comment is far from what is happening in my Senate district. And I can only speak about my Senate district.

People always have the image that people live on Long Island, they're wealthy. When you go back and you talk to people, all different levels, and they start telling you that putting food on the table is becoming a problem, it's becoming a challenge. And you listen to people and they tell you that they bought Brand X -- they bought Cheerios for $4.35; they can't afford that. They're buying the Price Chopper brand or Waldbaum's or Stop & Shop. Instead of having chopped meat once a week, it's now three times a week.

I made a speech and I talked about the gas tax and how this would at least allow people during the summer months to take a holiday. You know, you don't have to leave Long Island in the summertime. You can -- if you live in Port Jefferson, you can go out to Montauk, you can go out to Greenport. You can

stay on the island if you wanted to. Great beaches, et cetera.

I had people tell me: "Senator -- vacation? There will be no vacation. I can't put food on the table. I can't put food on the table."

Senator Lanza was right. People send us here and we deal and have, at critical times, in a bipartisan way with issues. But people need results. They don't need "we could have," "we should have." We don't need that.

It is true there should be leadership from Congress. They didn't do anything on the immigration issue. They are not going to do anything on this issue. Thank God we have a federalist system where we as the states can take leadership on issues.

Senator Lanza has gone out and taken leadership on this issue, and he's right. It's the right time to do this. People need help now.

And I know that I'm not saying anything that you in your own districts don't know. Whether it's in the North Country or

Western New York or Central New York or New York City, people are feeling this economy and gas and the way they heat their homes and the cost of utilities and the cost of property taxes. They are being crushed. And any relief that we can give them on any one of these areas, we need to do it now before this session is over.

Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Schneiderman.

SENATOR SCHNEIDERMAN: Thank you, Mr. President.

I must say I have very high regard for my colleagues and the people who serve in this house on both sides of the aisle. But I have to say that today I view as a really poor example of governing.

We are talking about serious issues, the fact that people need help. We are in the worst economic crisis in this state since the 1970s. People need results. That's not what this debate is about. That's not what this bill is about. This bill is about

pandering and hypocrisy.

And as long as we're talking about pollution, I tell you, Mr. President, I feel like the rank stench of pandering is polluting the air of the Senate today.

What's the question before us? Is this bill good for the working people of this state or bad for the working people of this state? That's a legitimate question.

Now, what do we know about this legislation? We know that, contrary to the sponsor's statement, there is no price-gouging provision. We know that there is no mechanism to see that any of the $629 million this bill will take away from the General Fund of the State of New York will go to consumers, much less to the poor and working people who need the relief.

We know, in spite of the sponsor's extraordinary statement that he doesn't believe that oil companies ever engage in price gouging -- which, you know, having a passing knowledge of the history of that industry, is demonstrably false -- in spite of his statement, we know that some of the

$629 million that we are taking from the General Fund will stick to the fingers of the oil companies, some of it will stick to the fingers of the wholesalers, some of it will go to people who are very well-to-do, who are driving anyway.

So how much of this $629 million that we need badly for programs for poor and working people will go to those poor and working people? Not much. And there is no way to predict that any amount will actually go to the people most in need.

So let's look at the hypocrisy. Let's look at the hypocrisy here. My colleagues on the other side of the aisle -- during the Pataki-Bruno era, the New York State leadership on the other side of the aisle presided over the largest redistribution of wealth from poor and working people to the wealthy we've ever seen in the State of New York.

You like to pretend that you are tax-cutters, but the size of our state and local governments virtually doubled during the Pataki-Bruno era, and the tax burden increased

to pay for it.

The poor and working people of this state need the public services that we provide for, but they are paying a greater and greater cost, they're paying a greater and greater share.

You know where that $629 million is coming from that you're ripping out of the state General Fund today? It's coming from the poor and working people of this state.

How is it, after the Pataki-Bruno era, that today in the Empire State the poorest 50 percent of New Yorkers, the people most in need, pay almost 12 percent of their income in state and local taxes while the richest 1 percent pay 6.5 percent of their income in state and local taxes?

You know who's being hurt here during the Pataki-Bruno era? It is the poor and working people of the state. We're putting the burden on them. And yet we pose as tax-cutters with these gimmicks, these rebates, these schemes, similar to the scheme today. But the amount of money you cut in income taxes for the wealthy far outweighs

anything you do for the poor and working people of this state.

So now you're showing up here saying, Well, we are all about putting money in the pockets of working people. History tells us otherwise. The bottom line does not lie.

What does this mean to rip $629 million out of the General Fund? Who's going to pay for it? Poor and working people. What programs will be cut? Programs for poor and working people.

This is a one-house bill, not just opposed by the leadership in the Assembly, who have the integrity to step up to this, not just opposed by the Governor, who has the integrity to step up to this; it is opposed by every economist in the country.

When they asked Senator Clinton -- to our great shame, she has been on the wrong side of this issue at the federal level. Everyone's entitled to make mistakes. When they asked her to name one economist who supports this notion, she could only cite her husband. Who as far as I know, he's many

things, but he's not an economist.

But this is not what's happening here today. We're not passing money along to people. We're not doing anything. This is a one-house bill that is opposed by everyone on every side of the aisle who is honest.

Let me cite to you a statement from a senior fellow at the Manhattan Institute, right-wing think tank. Max Schulz said: "It is bad policy and political gimmickry. If you want to deliver relief to folks, you have to do more than just a little holiday for the gas tax, you have to address what is driving the price of crude oil."

From the left, a former undersecretary of commerce in the Clinton administration, Robert Shapiro, said: "It is utterly misguided, both environmentally and economically. Environmentally it does actual harm, since it reduces the price of producing greenhouse gases, and economically it's trivial or worse. By reducing the price of driving, it encourages more of it, thereby increasing demand for gasoline, which inevitably pushes the price back up."

Well, what we're doing today is worse than what they were trying to do at the federal level. Because unlike the feds, we have to balance our budget. So what you are voting for if you vote for this bill today and this pretense and this sham that all of a sudden the Republican Party is all about putting money back in the pockets of working people, what you're doing is ripping $629 million we don't have out of the General Fund.

And we know, from your record and from history, the people who will pay, both in taxes and in program cuts, are the poor and working people of this state.

Look at the history, step up to it honestly. I'm going to vote against this bill. But I really think that the biggest disgrace here today is that we're not having an honest debate about targeting money to the people who need it most.

Senator Klein's proposal for a targeted rebate actually does get the money to the people who need it. But has that been under consideration? No. Maybe because we

don't have hearings, you don't invite us into the discussion. And with the same way that the majority here exercises this absolute power, this dictatorial control over what comes to the floor, you are serving your agenda, which is not the agenda of the working people.

I object to anyone on the other side of the aisle, after the record of the Pataki-Bruno era, pretending that you are about putting money in the pockets of working people. That is a value of our conference. That is a value embodied by Malcolm Smith. That is our value. We are going to step to that value. We will have our own proposals. I doubt they will see the light of day in this house.

In the meantime, until we are able to bring our proposals to the floor and actually deliver for poor and working people, I'm voting no, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator Schneiderman.

Senator Nozzolio.

SENATOR NOZZOLIO: Mr. President,

on the bill.

ACTING PRESIDENT MORAHAN: Senator Nozzolio, on the bill.

SENATOR NOZZOLIO: Mr. President and my colleagues, as many of us do, I often speak to high school and junior high school classes like the one visiting me today from Marion Central School in Wayne County.

And they ask me: What should I study to be involved in the political issues of the day? Should I study history? Should I study political science? How do I get involved in government? What should I do to focus my attention on participating in my government?

My suggestion to them is there are two subjects you should focus on. The first is English; the second is economics. And, frankly, the rhetoric that I heard discussed today by the members of this house shows why my advice to those students is absolutely on the mark.

I heard from Senator Krueger, Senator Connor, and my friend Senator Schneiderman discuss how they believe, in

their world, the economists would oppose us in Senator Lanza's tremendous attempt to eliminate the gas tax in New York State for a short period of time. We heard those economists quoted about their concerns for global warming, the lack of a national energy policy, the need for a reduced consumption of petroleum products worldwide.

I say to those Nobel laureates, you can give us all the advice you want. But the working people in Wayne County, the farmers who drive the tractors, the people who have to travel 12 miles, 14 miles round trip to get a loaf of bread or a quart of milk, the people who need to commute to their jobs in Rochester or Syracuse, entailing a 60-mile per day, at least, commute to work -- those are the people who are going to be helped by this bill.

And I do not care about the New York Times and their focus on how the economy of New York City is not going to be helped by this bill. Frankly, this bill helps the working people of upstate New York.

And I thought earlier this year the issue of the day was how everyone was going to

unite to help the upstate economy. Well, Senator Lanza certainly has helped the entire state's economy by this measure. This measure that will enhance many economic enterprises during the course of the suspension of the gasoline tax.

It was mentioned that the number-one industry in New York State is agriculture. Agriculture has been devastated by the rising cost of petroleum products. The number-two industry in New York State is tourism. And all of our regions that depend on tourism -- and I represent most of the beautiful Finger Lakes region -- that region is going to be significantly hurt if motorists are impeded to travel to the Finger Lakes, enjoying the great sights and venues of the Finger Lakes if the gas tax is so -- if the gasoline costs are so oppressive.

I congratulate Senator Lanza for his courage, for his bringing this measure to the floor. I believe strongly that all the transactions that will not occur because of the oppressive cost of gasoline are going to be the real fiscal impact of us not doing this

bill. In other words, the fiscal impact that Senator Lanza quoted is far, far smaller than the total fiscal impact of the rising costs of gasoline on our economy.

We need to do all we possibly can. And, Mr. President, that's why I strongly support this measure.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Marcellino.

SENATOR MARCELLINO: Mr. President, I'll explain my vote.

ACTING PRESIDENT MORAHAN: Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President.

Reducing the cost of gas is a very appealing idea. People need some relief from the high cost of living. Suddenly we're hearing people talk about not being able to afford putting food on their table. We hear that food pantries are running out of food. So reducing the gas tax to help our constituents is extremely important. People need help.

We have heard today about the gas tax and the sales tax, particularly because the gas tax and the sales tax are not based upon ability to pay. They are regressive taxes affecting the middle class and the lower middle class disproportionately to people for whom another 10- or 20-cent or 50-cent per gallon gas fee would be less significant.

But there's a difference here. We've been hearing about eighth-grade economics, and we've been hearing about the fact that economists are opposing this type of bill. The tax on clothing is quite different than the tax on gasoline. We can always produce more clothing, but we can't produce more gasoline.

And as the cost of gas is going to obviously go up in the summer because the demand will rise, we can't increase production, because the refineries are producing about as much as they can produce. And reducing the state gasoline tax will presumably increase the demand. And the supply just can't keep up with the demand and the price, I'm afraid, is going to go up even

higher.

So that's the first point in terms of the economy. We want to be able to do something to help the consumer, there's no question about that.

There are three answers that we really haven't been able to address. For the first one, the 600-plus-million-dollar eficit that's going to be created by the passage of this legislation. There's going to be a hole in the budget.

Secondly, the question of price gouging. There is the danger -- and this bill does nothing to protect the consumer from price gouging.

And lastly, if I thought that the savings would be passed on to the consumer, I would vote for this bill. I would vote for this bill if the consumer were going to benefit. But I haven't seen anything that tells me that the savings are not going to be consumed by the oil companies, the refineries, the middleman -- or middlewoman -- the wholesaler or the local owner of the service station.

The New York Times had a very interesting article, I think it was yesterday, and it says: "Since 2000, four states have enacted gas tax holidays: Florida, Georgia, Illinois and Indiana. In general, retailers did not pass on all of the intended savings."

And that's what bothers me, Mr. President, because I don't think we need to enrich the oil companies any further. And for that reason, I think this bill should not be passed.

Thank you.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Parker.

SENATOR PARKER: Mr. President, on the bill.

ACTING PRESIDENT MORAHAN: On the bill.

SENATOR PARKER: First, let me commend Senator Lanza for his hard work on this issue. This is an important issue. I know that he cares about the people in this state and the people in his district. You know, we're all, in our districts, under

pressure to respond to this issue.

And, you know, the problem is -- this is the right issue. The problem is this does not take us nearly as far as we need to go, unfortunately. I too would like to relieve my constituents, the hardworking families in my district who, you know, oftentimes, like Senator Lanza's families, oftentimes have to use their vehicles to get back and forth to work or to use their vehicles in the commission of their work. But this bill does not take us where we need to go.

There's been a lot said about making our constituencies happy. And we as legislators essentially have, you know, two roles. And the question is, what are you going to be today? Are you going to simply be a representative that listens to what the populace and what the polls are saying, or are you going to be a leader?

Are you going to be a representative, or are you going to simply, you know, just do what you're told to do and let people pull -- and not even people,

polls -- pull your strings and tell you how to move your mouth and how to move your feet? Or are we really going to be leaders?

And what leaders do different than simply being a representative is that leaders lead. Managers do things right; leaders do the right things.

And this is not the right thing. The right thing to do is at a time when we know that fossil fuels are destroying our economy and the fact that we are going into an economic spiral because of energy costs, the thing that leaders do is chart a new direction.

So as the ranking member on the Energy and Telecommunications Committee, and as the chair of the Democratic Task Force on Alternative Energy Futures, what I would suggest as a leader would be now is the exact time -- instead of putting, you know, a hole in our General Fund of over $600 million, now is the time to be investing in NYSERDA and investing in alternative energy products.

Now is the time to pass, you know, one of my bills that would in fact provide

alternative energy along the Thruway, so that we can encourage people to buy alternative energy vehicles.

I would suggest that as leaders we, you know, bring forward and pass and encourage Dean Skelos's bill that in fact continues to provide a tax incentive for people to buy hybrid vehicles. Right? Those are the kind of things that we ought to be doing now at this critical thing.

But pandering to polls and pandering, you know, to the editorial boards is not exactly what leaders ought to be doing now.

This is the right issue. This is the right time. But this bill here is the wrong solution. And so I'll be voting no.

I encourage my colleagues on both sides of the aisle to think about this, think about the legacy that you're going to be leaving your children and your grandchildren. Do you want to in fact leave them a legacy to say that at the critical time in history that you pandered to the polls instead of making sure that they had a viable future and made

sure that alternative energy was in fact part of that new future that they have?

Thank you.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Senator Aubertine.

SENATOR AUBERTINE: Thank you, Mr. President.

I certainly intend to support this particular piece of legislation. However, I do have a couple of concerns. And if the sponsor would yield just to address those concerns, if he might.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR AUBERTINE: Thank you, Senator. Thank you, Mr. President.

A couple of the questions that I have on this bill. As you're no doubt aware, farm use of diesel fuel is not taxed. In fact, it's dyed, the fuel is, when it's

delivered, so that it's not used commercially.

Are you aware of that?

SENATOR LANZA: I'm sorry. Mr. President, through you, what is not used commercially?

SENATOR AUBERTINE: Diesel fuel on farms. For tractors. On-farm use.

SENATOR LANZA: They don't use diesel fuel? I'll take your word for it.

ACTING PRESIDENT MORAHAN: Senator, would you restate your question to the sponsor?

SENATOR AUBERTINE: My question is this. In light of the fact that diesel fuel that's used for agricultural purposes is untaxed -- now, the last diesel fuel that I bought on my farm recently was $3.86. It's untaxed. Now, the tax is 32 cents; correct? Well, if we add that, it's $4.18. Okay?

The average price for fuel, according to all the numbers that I have, is $4.58. Now, if you take the average price for fuel, subtract the fuel, the pure cost of fuel plus the tax, the $4.18, you've got 40 cents.

My question to you is this. That

40 cents, nobody seems to know where it is. Would the gouging language in this legislation address that 40 cents?

SENATOR LANZA: Mr. President, you know, I'm no expert when it comes to the differences between diesel and gasoline. But I do know they're two different products. They're refined differently, they have different distribution networks, different delivery systems. They're two different products. The cost of manufacturing diesel is different from the cost of refining gasoline. So I'm not sure what the question is implying.

But I will say this. I know when it comes to comparing gasoline to gasoline, if you increase the price of the tax, the price of the gas goes up. If you reduce the price of the tax, the price of gas goes down.

And we know, if we're talking about agriculture and farming, we know the cost of getting those goods to market increases when the price of gasoline and fuel goes up, because trucks deliver those goods to market.

Which is why when we talk about and I hear concerns for the working families and

the poor, increased gas prices has a regressive effect. That's exactly who it hurts the most. It hurts the poor, first, most.

Folks who are wealthy, they don't even notice the fact that the price of bread has gone up. They don't notice the fact that the price of agricultural goods have gone up. They don't even notice it. It's the working families of this state, the poor of this state.

So if we're going to talk about farming and agriculture, if we can reduce the price of gasoline in this state, we can have an effect on the price of agricultural goods and farm goods and food that people depend on in this state.

SENATOR AUBERTINE: Thank you. Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR AUBERTINE: Thank you, Senator.

Again, it's not the cost of the fuel necessarily that we're talking about, as far as the cost of producing it. In this particular dialogue, that's really irrelevant.

What is relevant, though, is the 32 cents in tax is -- it doesn't matter whether it's gasoline or diesel fuel. It's still 32 cents.

But my question to you, sir, was this. The pure cost of diesel fuel without the tax is $3.86. That's the cost of fuel delivered to my farm, no tax. The tax, if it were taxed, if you were to buy it at the pump, would be 32 cents. If you add those together, it's $4.18.

But the average cost at the pump isn't $4.18. It's not the pure cost of diesel and the tax. The cost at the pump is $4.58. There's 40 cents overcharged there.

My question to you, sir, is this. Does your legislation -- will it address that 40-cent differential?

SENATOR LANZA: Mr. President,

through you, it's sort of a convoluted question. You have to compare apples to apples, not apples to oranges.

The fact that there's a different system in place for farmers in this state is probably something my colleague would support. These are measures to decrease the cost of fuel for farmers because it's important to do so to our economy and to the people of this state that depend on the goods that farmers bring to market.

We're trying to do the same thing here. There is an anti-gouging measure in this bill, a similar provision to what we have in place for the gas-tax cap that we presently have as law in this state.

Now, people are talking about not knowing how much of an effect this will have, not being sure. I think it will be, cent for cent, penny for penny, 32 cents.

But I know one thing. I know if we go home and we don't pass this, I know that the price of gasoline on Staten Island and across this state will not come down a single penny. That I know. That we can all rely on

and depend upon.

I know that if we do this, this is the quickest measure -- you know, I've heard the word "pandering." Since when is it pandering to do the right thing by the people that send us here? Since when is it pandering to deliver relief that people need? Just because something is popular, just because people support something doesn't make it wrong. Doesn't make it pandering.

In fact, usually I trust the people of this state and the people who send me here. I trust their wisdom. I feel their pain. When they tell me they need this, I don't think it's pandering to give it to them, to deliver that relief. I think it's doing the right thing.

And that's what this measure -- we could talk about all the things this doesn't do. I want to talk about what it does do. And it delivers much-needed relief to the people of Staten Island and this state, especially to the people who need it the most.

SENATOR AUBERTINE: Thank you, Senator.

If the Senator would continue to yield for one more question.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield for one more question?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields for one more question.

SENATOR AUBERTINE: Thank you, Senator.

As I'm sure you're aware, not every engine that runs on a farm is diesel. There's a lot of gas engines on a lot of farms. Now, when gasoline is delivered to a farm, it is taxed. Okay? But there is a mechanism in place that allows a farmer to recoup that tax. And there's a tax form, it's Form 4136, I believe it is, when you do your taxes.

Would it be something that you might consider, either in this bill or in another bill, the idea of opening that mechanism up to everyone so if you were to keep track of your sales tax on the fuel that you use, you can recoup it that way? And that way, if you were to do it in this bill in

particular, you would have a mechanism in place that we could all access that would go directly to the consumer of fuel.

SENATOR LANZA: Through you, Mr. President. You know, I'm open to doing all we can to help the people of this state. What farmers have to do with respect to what you're talking about, some might consider cumbersome and burdensome and difficult. And some have made the decision that farmers can handle that as businesses.

You know, when it comes to the people of this state, they have enough going on in their lives. I want to deliver the relief in the most direct and simple way we can do it without adding additional burdens upon them.

I'm not saying it's a bad idea. It's something we can talk about. But I think this is the right relief at the right time. Someone said it's a gimmick because it's only during the summer. You know, just like I think someone said summer vacation for kids is a gimmick. Talk to my kids. It's not a gimmick. They can't wait. And the people of

this state can't wait either.

So I'm all for discussion and talking. People can't wait. We can't find ways to make this more difficult, to complicate this even more. We've got to deliver results, relief now in a way that people will feel it and benefit from it.

But we can continue the dialogue. There are many good ideas I've heard and have been talked about. Senator Krueger mentioned other things that we could do. I never said this is the only thing we can do. I said that this is the most direct thing we can do. And there is lots we cannot do.

Of course we should continue the discussion about other measures to go even further. But this I know will deliver relief now at the right time, and it's the right relief.

SENATOR LIBOUS: Mr. President.

ACTING PRESIDENT MORAHAN: Thank you.

Senator Libous, why do you rise?

SENATOR LIBOUS: Would Senator Aubertine yield to a question?

ACTING PRESIDENT MORAHAN: Senator Aubertine, will you yield?

SENATOR AUBERTINE: Sure.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR LIBOUS: Thank you, Mr. President, through you.

Senator Aubertine, do you believe that Senator Lanza's bill will help farmers and their families?

SENATOR AUBERTINE: I do.

SENATOR LIBOUS: Thank you, Mr. President.

SENATOR AUBERTINE: On the bill, Mr. President.

ACTING PRESIDENT MORAHAN: Senator Aubertine, on the bill.

Senator Adams, why do you rise?

SENATOR ADAMS: Would Senator Aubertine yield for a question?

ACTING PRESIDENT MORAHAN: Senator, will you yield for a question?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR ADAMS: Because I think this is an important point that many of us have that's in support of Senator Lanza's bill.

And I need to understand that -- if I understand you correctly, then the price that farmers receive, is it with a tax or without a tax?

SENATOR AUBERTINE: Without.

SENATOR ADAMS: Without a tax.

SENATOR AUBERTINE: Correct.

SENATOR ADAMS: Would he yield for another question?

ACTING PRESIDENT MORAHAN: Senator, will you yield for another question?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR ADAMS: Is that price that you receive without a tax, is it the same price that consumers are paying at the pump for diesel fuel?

SENATOR AUBERTINE: No.

SENATOR ADAMS: Is it --

ACTING PRESIDENT MORAHAN:

Senator, will you continue to yield?

The Senator yields.

SENATOR ADAMS: Is it less or more? I just need to understand that.

SENATOR AUBERTINE: The delivered price for diesel fuel on the farm, as I indicated to Senator Lanza, is -- the latest price that I paid was $3.86.

That's for diesel fuel that's dyed. It's dyed red. And the reason it's dyed is because you don't want to be caught driving down the Thruway or any other road in this state with undyed fuel. It's dyed because it's untaxed.

And my question was this. If the tax is 32 cents, if you add the 0.32 in that 3.86 -- which I would consider the pure cost because it doesn't have tax on it -- you've got $4.18. My question to Senator Lanza was, why is it $4.18 with the tax yet, if I were to go to a filling station and buy diesel fuel, on average in New York State I'm going to pay $4.58?

The 40-cent difference is not tax. It's not the cost of production. It's pure

profit for somebody.

SENATOR ADAMS: Thank you very much. Thank you.

ACTING PRESIDENT MORAHAN: Thank you, Senators.

SENATOR AUBERTINE: On the bill, Mr. President.

ACTING PRESIDENT MORAHAN: On the bill, Senator Aubertine.

SENATOR AUBERTINE: I agree that this is certainly a bill that is worthy of moving forward. I think that there's certainly a lot of room for improvement, but I do applaud my colleagues, or my colleague Senator Lanza, for bringing this forward and opening this dialogue. It's certainly healthy.

And I do agree with him that all we can to for our families here in New York State and our businesses here in New York State to alleviate the high cost of fuel is something that we should be doing.

So with that, thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank

you, Senator.

Senator Savino.

SENATOR SAVINO: Thank you, Mr. President.

This has actually been a pretty fascinating debate today. You know, as state-elected representatives, we are all uniquely aware of our limitations. Unfortunately, our constituents are not aware of those limitations. We can all share stories where people expect to us take care of potholes and street lights and graffiti and crime, the war in Iraq, and the price of gas.

It's been said that we cannot control the failures of the Bush administration, which we can't. We cannot answer for the Bush administration's failure to do something about greater fuel efficiency. We can't do anything about the Bush administration's failure to deal with windfall profits of the oil companies or their failure to control the cost of oil.

We cannot do anything about the failure of the Democratically controlled House and the Senate to address this issue. We

can't do anything about any of those things.

But this we can do something about. We can control the cost of gasoline tax.

It has been suggested that this is eighth-grade math or eighth-grade policy. It's been suggested that this will only result in a $50 savings.

Well, I do math a little bit differently, perhaps because I went to Catholic schools. So I did a little back-of-the-envelope calculation, and I came up with some different numbers.

I drive a Saturn Vue. I have a 16-gallon tank. Sixteen gallons times 32 cents for one fill-up would save me $5.12 a fill-up. I fill up my gas tank twice a week. That would save me $10.24 per week, with two fill-ups. Or 15 weeks of that during our holiday would be $153.60.

Now, what would I do with that $153.60? Well, perhaps I would take that money and I would pay two months of my KeySpan bill, which would help me deal with my home energy heating costs. Or maybe I'd buy a pair of shoes. Maybe I'd get my hair done, or I'd

get my nails done a few times. Or whatever I would do.

But it would be my money, and I would be able to redistribute it wherever I wanted to. So it would be a real savings for me.

I'm a single person; $153 I can spend on a pair of shoes. But if I had a couple of kids, maybe that $153 would be the difference between paying for medication at this pharmacy. Or maybe that $153 would be the difference between the vacation that we think is trivial, some of us think is trivial. But $153 is real money to real people. I represent real people, as most of us do too.

It's been suggested that this won't work because it hasn't worked in the past. We haven't been able to accomplish it. Well, I reject that argument. Just because it hasn't worked in the past or we haven't found a way to see to it that the money will go directly into the pockets of consumers doesn't mean we cannot find a way to do that. We can find a way. We have an obligation to do that.

And as we've had a great debate

here, we've come up with many ideas. The idea of perhaps a tax rebate. The idea of having stronger anti-gouging language in the legislation. We can do that.

It's been suggested that we cannot afford it, we cannot afford the hit to our state budget. Well, I will continue to maintain that we spend too much money as it is. We just spent a month passing a state budget that everybody believes -- all the economists who are critical of this plan are critical of our state budget. They've said we've spent too much money and we're going to have to come back and make some cuts. And maybe we will.

And when we do that, we should find a way to provide $500 million in tax relief to people. Whether it's 32 cents a shot or it's $153 over the summer, it's real money. We can do it.

And I'm going to support this bill, and I want to commend my colleague from Staten Island, Senator Lanza. He and I know just what this will do to our community. Every day we watch the constituents that we represent

sit in their homes and calculate how much money they will save by going to New Jersey to fill up their gas tanks. I fill up there. We see what happens when they get there. They calculate the cost of the tolls on the Hudson River crossings. They know that when they get to New Jersey they will pay less for gas, for cigarettes, for liquor, for clothing, for beverages. They pay less over there. We are losing millions of dollars from New York City residents going to New Jersey because they have lower gas taxes, they have lower taxes on everything.

We can stop our constituents from stimulating the economy of New Jersey and put them back in New York. I'm voting for this bill, and I urge everybody to do that.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Any other Senator wish to be heard?

Senator Onorato.

SENATOR ONORATO: Mr. President, will the sponsor yield to a question.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you yield to a question?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR ONORATO: Senator, you mentioned in your bill that you have a provision in there for anti-gouging. Could you explain to me what brings about gouging? At what price? What constitutes gouging?

SENATOR LANZA: Well, for instance, if anyone did anything which would be contrary to the very specific provision in here which requires that the price at the pump be reduced commensurate with the reduction in the tax. The same provision we have in place with respect to the gas-tax cap, which seems to have worked well.

SENATOR ONORATO: Will he continue to yield, please.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator continues to yield.

SENATOR ONORATO: Senator, would you explain it to me in eighth-grade math? What would I save in dollars and cents on the anti-gouging? At what price would it be -- how much would constitute gouging? Ten cents a gallon, 5 cents a gallon, 20 cents a gallon? Or perhaps the 40 cents a gallon that Senator Aubertine has related that nobody can explain where it's going.

SENATOR LANZA: Well, let me explain it. You will save 32 cents a gallon. So will the people you represent, including the people I represent. You can go to the bank on it.

All the evidence that you need is out there in surrounding states. If you reduce the price -- if you lower the tax, you lower the price of gas. If you raise the price of the tax, you raise the price of gas.

But if you have a concern or if any of us do, and if we see any evidence of gouging, then according to the anti-gouging statute, we'd refer it to the Attorney General. And the Attorney General would launch an investigation to determine whether

or not there's gouging. That's how it works.

SENATOR ONORATO: I understand that, sir. But again --

ACTING PRESIDENT MORAHAN: Are you asking --

SENATOR ONORATO: -- could you be more specific?

ACTING PRESIDENT MORAHAN: Senator, are you asking Senator Lanza to continue to yield?

SENATOR ONORATO: Would he continue to yield.

ACTING PRESIDENT MORAHAN: Senator, will you continue to yield?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR ONORATO: Senator, I'm not trying to be a wise guy. I really want to know, what would the actual cost of gouging be considered? How much? Ten cents a gallon, a nickel a gallon over and above the 32 cents that we're saving?

ACTING PRESIDENT MORAHAN: Yeah, it's not a price. It would be the

Commissioner of Tax and Finance that I believe would have jurisdiction over such an investigation. The Attorney General could be brought in if we believe that there's gouging.

You know, if we don't eliminate the tax on gasoline, some unscrupulous retailer or company can decide to gouge right now. They can decide to gouge today. And so if you're suggesting that we don't have adequate provisions currently in the law to deal with that, then we ought to talk about that.

We do, though, have an anti-gouging statute. And whether or not we reduce the gasoline tax, there's always the threat, there's always the concern that we all share that someone may decide to break the law and gouge.

Reducing the price of gasoline by 32 cents will not create any incentive for anyone to gouge that does not exist today.

SENATOR ONORATO: Okay.

ACTING PRESIDENT MORAHAN: Thank you.

Senator Sampson.

SENATOR SAMPSON: Mr. President,

would the sponsor yield for just a few questions?

ACTING PRESIDENT MORAHAN: Senator Lanza, will you yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator yields.

SENATOR SAMPSON: Thank you very much. Through you, Mr. President.

Senator Lanza, I want to --

ACTING PRESIDENT MORAHAN: Excuse me. Can we have some quiet in the chamber, please. It's getting difficult for Senators who are engaged in the debate to hear each other.

SENATOR SAMPSON: Through you, Mr. President. Senator Lanza, I want to -- first of all, I want to thank you very much for really bringing this issue to the floor. And, you know, reasonable minds can disagree with respect to this issue.

And one of the questions, you know, something I've always heard you say during this debate is we've got to do it now, we've

got to do it now, we've got to do it now, we've got to do it now.

My question to you -- through you, Mr. President -- is have you had any discussions with the Assembly with respect to this legislation?

SENATOR LANZA: Mr. President, through you, I've talked to individual members of the Assembly. Some support it strongly; others have questions.

So the answer is yes, I have discussed this with some members of the Assembly.

SENATOR SAMPSON: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT MORAHAN: The Senator continues to yield.

SENATOR SAMPSON: Through you, Mr. President, have you had any discussions with any of the Governor's staff with respect

to this legislation?

SENATOR LANZA: You know, Mr. President, I heard and read in the paper that Governor Paterson refused to not support this out of hand. He had questions, and I think he said that he would look at it. He talked about other things that could be done. But he did not reject this measure, according to what I read in the paper, out of hand.

SENATOR SAMPSON: Through you, Mr. President, would the sponsor continue to yield?

ACTING PRESIDENT MORAHAN: Senator Lanza, will you continue to yield?

SENATOR LANZA: Yes.

ACTING PRESIDENT MORAHAN: The Senator yields, Senator.

SENATOR SAMPSON: Through you, Mr. President. Senator Lanza, so would this legislation happen, or it's not going to happen, in your opinion?

SENATOR LANZA: Mr. President, I am so hopeful, I am so hopeful. And I am confident that the members of the Assembly and the Governor know what we know, that people

are hurting, that the price of gasoline is too high in this state, that the price at the pump goes beyond, that it's affecting the price of milk and bread and eggs. So I'm hopeful.

I know that I have a responsibility, as the Senator representing the 24th District of Staten Island, to do what I think is necessary and responsible and is consistent with the best interests of the people I represent, both back home and across this state. And that is my job and my responsibility.

And so I believe in this legislation, because I believe it will deliver relief, much-needed relief. And I'm hopeful that the Assembly gets that and that the Governor gets that.

But I'll tell you, I won't let someone's disagreement with that proposal stop me from doing what I think is right. I believe this is right, and it's my responsibility to do what I think is right and then take the next step, to convince, if there's agreement across the hall, to do all I can to convince the members of the Assembly

that they need to act as well. And then I'll speak to the Governor or anyone else that I can to make sure that this becomes a reality.

SENATOR SAMPSON: Through you, Mr. President. On the bill.

ACTING PRESIDENT MORAHAN: Senator Sampson, on the bill.

SENATOR SAMPSON: Senator Lanza, I hear your passion, I understand your passion, and I'm with you.

When I go home to my district, you know what my constituents are going to tell me? They're going to say "Show me the money. Show me the savings."

You know, I'm going to say: "Well, you know, I'm hopeful it's going to happen." You know what they're going to tell me? They're going to say, "Senator, I agree with you a hundred percent. But you know, a promise is a comfort to a fool, and we as constituents, we are no fools."

The bottom line here is this. And I can understand where you're coming from. I want to give savings to my constituency. But if we're talking about being responsible, you

know, we have no fiscal impact study as to -- you talk about $600 million coming from the General Fund. Where is that money coming from? You know what? We don't know where it's coming from.

And at the end of the day, we give them this little holiday, what is going to prevent these retailers the day after this holiday of hiking up the gas price again?

And as Senator Connor was saying, this is more of a comprehensive issue. You know, as Senator Winner talked about Senator Hillary Clinton -- I don't support Hillary Clinton. I support Barack Obama. And he says this is a gimmick. And we're not about gimmicks, we're about substance. And I know you are a person who is about substance.

And that's why when Senator Hassell-Thompson said, you know, pull this bill so we can have this discussion -- because the reason I asked you those questions is my constituents are going to say: "I want to see immediate relief. I don't want to have to go through an entire process." This process should have been dealt with before we got to

this point.

You know, this is not about photo ops, this is not about, you know, literature going to our communities saying we support the gas tax. Because at the end of the day, when we can't deliver for our constituents, they're going to look at me again and say, "Sampson, as I told you before, a promise is a comfort to a fool, and we are no fools."

So I want to commend you on this legislation, but I can't support it, not being responsible. Because it's all about being fiscally responsible. Because you can save a couple of dollars -- now, you talk about New Jersey all the time. New Jersey with the taxes and the gasoline tax. But you know something also about New Jersey? The residents of New Jersey pay the highest -- one of the highest property taxes in this country. And I ask myself why is that.

But I want to commend you, and you're right. Hopefully this is open for discussions, we can deal with this issue. Because you know what? This is an excellent idea. And my people do need, do need some

relief. But they're going to say "Show me the money."

Thank you. And I vote no.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Any other Senator wish to be heard?

Please ring the bells. The debate is closed.

Let me tactfully remind the Senators that there's a two-minute limit on explaining your vote. And the presiding officer will do his best to keep that in mind and to enforce that rule today.

The Secretary will read the last section.

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

ACTING PRESIDENT MORAHAN: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MORAHAN: Senator Little, to explain her vote.

SENATOR LITTLE: Thank you, Mr. President.

One of the comments that I have

heard from people who are speaking in opposition to the bill is that this is a one-house bill. Well, I would daresay that this is not the first time that a one-house Senate bill has become law and has helped the people in our state.

The people in my district are hurting in every phase of their life, and they want to know what I can do about the price of gas. Well, there's a number of things that I can't do. I can't change the change the value of the dollar, the price of oil per barrel, the oil futures. I can't do anything of any of that. I can encourage Congress to take some action.

But what can I do? I can reduce this state tax on gasoline. It will not only help the people in my district, it will attract tourists to New York State who will spend more money so that we have more jobs, more income, more sales tax, more of everything. It will help us get through the summer.

I applaud Senator Lanza for this bill. I vote aye. Thank you.

ACTING PRESIDENT MORAHAN: Thank you, Senator. Senator Little, you will be recorded in the affirmative.

Senator Griffo.

SENATOR GRIFFO: Thank you, Mr. President. To explain my vote.

I also live in a district where the use of a vehicle is essential for one's livelihood and to conduct all aspects of one's life.

And we hear a lot of people talk about "One New York." And I would hope that if that's more than rhetoric and that's genuine, that we would really hear what people are saying and that we would listen to that and respond.

And this bill that Senator Lanza is proposing gives us that opportunity to provide that immediate relief.

And yes, this is a federal problem. And we should be holding all the presidential candidates accountable to ensure that this is a major issue, to discuss the long-term answers to these problems that we're having with energy.

We have a Senate proclamation to the Congress telling them to follow suit and encouraging them to act, as we are right now, to deal with this problem immediately but also long-term.

The Governor has empaneled an energy panel here. We need to work with him to ensure we have a comprehensive energy policy in this state.

But this bill today allows us to provide immediate relief to the people that we represent, to show them that we hear them, that we care, and that we can and will do something.

I vote aye.

ACTING PRESIDENT MORAHAN: Thank you, Senator Griffo. You will be recorded in the affirmative.

Senator Volker, to explain his vote.

SENATOR VOLKER: Very quickly, to explain my vote.

I just want to say it was interesting -- and look, this is no knock. This is the world we live in. I was looking

over to see how many of the no votes were from New York City. And I realized the first three speakers against the gas tax were from Manhattan and were lecturing us on fuel use.

Well, we all know that New York City is a whole different situation than upstate New York, where this is not a matter of putting money in people's pockets, this is a matter in some cases of survival.

I think we should realize two things. Marty, you said that George Bush was at fault. Well, I think Ralph Nader is at fault, and I can give a good explanation of exactly why.

But so what are we going to do? Are we going to sit here and do nothing because somebody else is at fault? We don't have enough refineries, we don't have enough of that stuff?

The only chance we in this state truly have to deal with this issue -- you can talk about gouging, all that stuff. Which is nonsense, because we can't do anything about it. The only chance is to get rid of our tax.

And I will tell you something that

some friends of mine have said, and I think they're right. If this state gets rid of our taxes, New Jersey will, Pennsylvania will, all of them will, because they'll be forced to do it. And you know what then will happen? The McCain-Clinton bill will probably pass in Washington, and we could have as much as 64 cents off a gallon of gas. And no oil companies, nobody, can fill that in.

The New York Times story was clearly the usual New York Times story; they don't know anything about what they're talking about.

I vote aye.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the affirmative.

Senator Marcellino, to explain his vote.

SENATOR MARCELLINO: Thank you, Mr. President.

I'd like to thank my colleague Senator Lanza for bringing this bill forward. It's an important issue. It's designed to give a break to our constituents who require

the use of their cars because they have no other choice.

I live on an island which happens to be very long. The price of gas at one end of that island, the western end, is about $3.80. If you go out to the eastern end, you go to Montauk Point, it's a dollar more, $4.80. That's what you're dealing with. The price is different out there.

The merchants out there, the trucking businesses out there, they live for the tourists. They live for people to take those day trips out to the east end of the island. If gas is up over $4.00 and over $4.50, those people will not go that far. They will not travel the hundred miles one way to get to Montauk and go those to businesses and participate in the economy of the eastern end of this island.

Those people will suffer -- the farmstands, the farmers, the wineries. You name it, they will suffer. The economy of Long Island will suffer, and the economy of this state will suffer.

We must do something now. I agree

with my colleagues who said we should be doing something with home heating fuel. I am. We have in the works right now what I call the Home Heating Relief Act, which would give a tax deduction of up to a thousand dollars off your fuel, based on your fuel costs for the two highest home heating months of the year.

That's in bill drafting now and will be out shortly. And we'll introduce that bill, and hopefully all my colleagues who expressed concern about what are we going to do for home heating will be on that bill and be in support of that bill, because I believe it will do an awful lot to relieve the burden for our consumers.

Summer is followed by winter, we all know that. So we've got to take consideration of what's coming up immediately, the summer months, which we need to take care of. And we need to give our people a break. And we need to go into the home heating season, which also will be addressed.

This bill is not a panacea, but it's a great first step. And I vote aye, Mr. President, and I ask everyone in this

chamber to vote aye as well.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You just about nosed out the two-minute limit. You will be recorded in the affirmative.

Senator Fuschillo.

SENATOR FUSCHILLO: Mr. President, thank you very much.

And just briefly, yesterday the Governor appropriated $17 million to the "I Love New York" campaign. And he did that to promote tourism within New York State and throughout this country to come here to New York State. And today we've got a Republican Senator from Staten Island who wants to reduce taxes. It's a no-brainer.

You can make every excuse you want in the world. You can blame Bush -- I agree with you. You can blame Cheney. Senator Connor, I agree with you. Senator Savino appropriately said the Democratic-controlled Senate and Congress in the United States government has done nothing. Washington, we know, doesn't have the courage to adopt a comprehensive energy policy.

In the absence of that, if we can do anything here in New York State to ease the pain at the pump, we should do it. Senator Lanza's bill does that.

Senator Savino said she's going to save about 150 bucks this summer. What about the trucker that goes to the pump and fills up that truck, that 18-wheeler, that has a 200-, 300-, 400-gallon tank? What about the couple of hundred bucks they're going to save? And where does the savings go? It comes down to the consumer.

You know, I get Poland Spring delivered to my house. All of a sudden I have a two-dollar surcharge on there. I called up the company: "Why a two-dollar surcharge?" "I'm paying more at the pump," so it costs the consumers more.

Well, if that trucker is going to save a couple of hundred bucks every time he or she fills up -- and maybe it's $3,000 or $4,000 during this period of time of suspension -- then that money gets passed down to the consumer. Maybe bread will be cheaper. Maybe milk will be cheaper. Maybe the goods

and services that we buy every single day as consumers will be cheaper. It's a no-brainer.

Senator Lanza, the people from Staten Island I know are calling you every single day, the same as my district in Nassau and Suffolk County. They want relief at the pump. This is something they do every three, four days. They go there, they take the 50, 60 bucks of cash out of their pocket, or charge. They need relief now. If we can do something, let's do it.

I vote aye.

ACTING PRESIDENT MORAHAN: Thank you, Senator Fuschillo. You will be recorded in the affirmative.

Senator DeFrancisco, to explain his vote.

SENATOR DeFRANCISCO: Yes, I'm going to vote aye on this legislation. And there's been a long, long debate on issues that may have some interest to the intellectual who wants to debate theory.

And some of those issues concern the environment, concerning whether this is going to have any long-term effect. It's

probably not going to solve the energy crisis. I can guarantee it won't solve it; we need a national policy to do that.

But does that mean we sit here and let our constituents suffer day after day when they go to the pump? I don't think that follows at all. We have the authority to do a change. And this is actually deja vu all over again. We had the same debate when there was a concern over whether we should put a cap on the cost of taxes of gasoline over $2. Well, we did it.

Oil kept going up. We can't resolve that. We're not the national government. We can't resolve that. But we did save a substantial amount of money already to the consumer. We're just completing the loop and trying to save them more.

The part that really amuses me is the alternatives we could do with this $600 million that we're going to be deprived from the treasury. We can have a -- send back a rebate check, we can do this, we can do that. To me those are more excuses why not to do this relief for the taxpayer, and they

really don't ring true.

Secondly, that doesn't account for the truckers and the businesses. Whether we stimulate the economy or not, we're going to lose some of this business if we keep not doing whatever we can do from the state level.

Lastly, there was a question raised about where are we going to cut to make the difference of the $600 million or whatever the number may be. Well, somehow we survived the cap on gasoline, the loss of revenues there. We survived there. We still increased our spending this year.

And quite frankly, in my mind, $600 million that is in the taxpayers' pockets is much safer than $600 million left with the government to find a way to spend.

So I vote aye for this. It may not be a long-term solution, but it's certainly relief for businesses and for our taxpayers in our communities.

Thank you. I vote aye.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the affirmative.

Senator Sta -- Stav -- Sta --

SENATOR STACHOWSKI: Stachowski. Stavisky's over there; I'm Stachowski.

That's all right, Tom, it's been a long afternoon.

Mr. President, I too rise to support this measure. The people in my district will appreciate any kind of help they can get with their payments at the pump.

And the only problems I have, and I do have to mention them, is I'm concerned about making sure that they do get the money, because somehow it has a way of drifting into other people's pockets. I worry about that. But hopefully I'm counting on Senator Lanza to make sure that my constituents get this entire amount of money off every gallon.

And secondly, I think you ought to take a look at the gouging provision that you keep referring to. I don't think it's quite as strong as you refer to it in the information I received getting ready for this bill.

It seems to be a flawed gouging provision, and you might want to look into

strengthening that, because that could prove to be a problem if we do in fact find people gouging. And it is right now only civil, and you might want to extend it beyond that also, being that the cost of gas is having such an impact on everybody's life.

So with that, I rise to support this issue. I'm voting yes. And hopefully the people in my district will see the amount of money that they're supposed to see in savings.

Thank you.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the affirmative.

Senator Adams, to explain his vote.

SENATOR ADAMS: First, thank you, Mr. President.

I want to commend my colleagues for spending two and a half hours debating this issue, because it needs to be debated. And this is an important issue. You know, people are hurting. People are hurting. And if we just walked in here and voted without having a discussion, I think we would be insulting the

people who sent us here.

So we should debate. And I don't think that any side of the aisle, no matter what the position one may take, is stating that we don't want to deal with the issue that's impacting our constituents.

I'm going to vote for this bill, because, you know, folks need some type of relief. I'm concerned, as my colleagues stated, that making sure the money goes to the actual consumer.

And I'm going to ask the sponsor of the bill to join me this weekend as we go through the community and test some of these gas stations to make sure our consumers are getting what they paid for and to identify some location where gouging is taking place.

I think there's no greater statement we can make on both sides of the aisle. There's some issues that are not Republican-driven or Democrat-driven, they're the-residents-of-this-state-driven. And by you and I joining together doing that, we will send a strong message as state legislators, enough is enough. We've got to alleviate the

price that individuals are paying.

I'm going to vote aye.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the affirmative.

Senator Connor, to explain his vote.

SENATOR CONNOR: Thank you, Mr. President.

First, I want to say I agree with Senator Volker when he said I blamed Bush and Cheney but he thinks it's really Ralph Nader's fault. I agree. If Nader hadn't run in 2000, we wouldn't have had Bush and Cheney. I agree with Senator Volker.

(Laughter.)

SENATOR CONNOR: Two points. If we really want to help all the constituents, all the people in New York, then instead of lowering this tax 32 cents for one quarter of the year, why don't we lower the tax 8 cents for the whole year?

So that people who vacation by taking a fall foliage tour in the Adirondacks, or go on a winter vacation by going to one of

our wonderful ski resorts, get the same benefit as people who vacation in the summer. And everybody gets an equal benefit when they go to work, whether they work in the summer, fall, whatever.

If you want to blow $500 or $600 million out of the budget to do this -- and I think it's a good idea to give relief -- lower the tax 8 cents 12 months of the year. Same dollars, people benefit. Because politically, my colleagues, people think "what have you done for me later."

Do you really want to be there the day after Labor Day when your campaigns are heating up and your constituents say, "Oh, my God, it went up 32 cents. Why's that?" And the guy at the gas station says: "Oh, the Legislature."

Your price of gas went up 32 cents two months before your election. Brilliant politics, Mr. President.

I vote no.

ACTING PRESIDENT MORAHAN: Thank you, Senator Connor. You will be recorded in the negative.

Senator Larkin, to explain his vote.

SENATOR LARKIN: Thank you, Mr. President.

You know, I've sat here today and I've listened to everything from conception to delivery, for the most part. But my bitterness and gripe here is rather than think about what we should be doing -- I hear people say, What are we going to do about corruption? What are we going to do about this? What are we going to do about it?

Well, I'll tell you what we're going to do. Maybe get off your phones sometime and go visit somebody.

Our former attorney general, our former governor, I gave him 14 cases of what was happening a couple of years ago when he was in the AG's office and it took him nine months to get back to me to say: "Oh, we're settling with them." "What about it?" "Oh, but I can't tell you."

Oh, you can't? So I can't tell my -- so when you started to say how are we going to see that they're not gouging or doing

this here, what about the Consumer Affairs Department? What about the Attorney General? We have Consumer Affairs in every one of our counties. Why don't we start a little campaign of working together?

You know, it's easy to stand here and listen to all this nuts. I heard the Senator from Manhattan -- no, not you.

(Laughter.)

SENATOR LARKIN: I heard you too.

Schneiderman. Senator Schneiderman's comment was it was Pataki's and Bruno's problem.

The last time I knew, the Speaker's name was Silver. The last time I knew, it took that house, this house, and the guy on the second floor to make it happen.

So let's not make excuses. When you want to start making all these excuses, remember '06? "Elect us to Congress and you'll see something." Do you know, as of today, there's been more bills passed in the Iraqi legislature than there has in the House and the Senate of the United States. So when we talk about doing something, look at that.

Here's the problem. They've done nothing, we've done nothing. Someone says about the workers -- let's talk about people, as Marcellino said, everybody -- this is this isn't just about somebody going on a vacation. Going on a vacation? Somebody needs to eat.

My good friend John Sabini comes up in my area and spends his money at my tracks and then goes and has a good meal.

Let's stop fooling ourselves. There's something here called a chapter amendment. You think you got something good? You bring it to Lanza. I think Lanza did a super, super job today.

And you're to be commended, because you didn't fall down when people tried to knock you down. You stood up and spoke for the people of the State of New York. I thank you.

And I vote yes.

ACTING PRESIDENT MORAHAN: Thank you, Senator Larkin. You will be recorded in the affirmative.

And if you have any other tidbits about people's personal actions, you can let

us know about those.

(Laughter.)

ACTING PRESIDENT MORAHAN: Senator Craig Johnson, to explain his vote.

SENATOR CRAIG JOHNSON: Thank you very much, Mr. President. I will be voting in the affirmative.

I have to say I find it very interesting that my friend Senator Volker, who used to sit next to me, referred to the McCain-Clinton bill in Washington. I think given the way Washington is being run these days, maybe it should be referred to as the Clinton-McCain bill.

But I think whichever way you talk about it, the important thing is it demonstrates a bipartisan commitment by those two senators to reduce the price of gas.

And I think today what has become apparent in this debate is you have that same bipartisan commitment by the New York State Senate. And maybe if Senator Lanza wants to open up his bill to sponsorship from this side of the aisle, it would be another example of a bipartisan spirit in showing a commitment to

reduce the price of gas for our consumers.

But I will say, in hearing a terrific debate and explanation of votes from my colleagues on both sides of the aisle, in talking about tourism and farming and talking about, you know, the working class, I think one thing that we need to remember about who this bill is going to help are our young people, our teenagers and our college students who this summer are going to be driving to jobs.

Who need these jobs to pay for skyrocketing tuition costs, for skyrocketing board costs at schools, and who need this money for other types of expenses. And instead, what they're going to be facing if we don't take this action is simply taking the money from their employer and giving it to the gas station pump.

And this legislation will help relieve that so that they can keep that money that they've worked so hard for and keep it in their pocket.

Obviously, in the discussion, members of my side of the aisle have pointed

out some important flaws that have to be addressed going forward. But clearly we can't stop the progress of this bill to help our constituents. But clearly a rebate program --

ACTING PRESIDENT MORAHAN: I have to interrupt you, Senator. You are on the two-minute line.

SENATOR CRAIG JOHNSON: Oh, wow. That's interesting, I thought -- well, that being said, I will certainly sit down now and say I do vote in favor of the bill.

Thank you very much.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the affirmative.

Senator Duane.

SENATOR DUANE: Thank you, Mr. President.

I actually was going to say something for Senator Larkin's benefit, but he stepped out to make a phone call.

(Laughter.)

SENATOR DUANE: Seriously. That was for his benefit.

I want to thank Senator Lanza for

making sure that we all got the study. Thank you very much. And because we're a chatty crowd, I actually got to review it.

And, you know, I was here for virtually all the debate, and I really did listen to what people were saying. And I've been conflicted about this, and I've changed my vote a couple of times, both before the debate and even during the debate.

You know, people are hurting in New York State. And I know the importance of tourism in New York State, and I also know that in many places it's easy to buy gas in New Jersey and Pennsylvania. These are very compelling arguments. And also the price for trucks.

But, you know, I would prefer we had more rail freight. I even wish we used more barges, and maybe this will push us in that direction.

And I'm willing to be wrong in my vote on this. But I think that we still have time to do something for the summer, maybe into the future. I think we can do it into bipartisan way. So -- and I'm going to run

out of time. But I'm going to vote no on this.

But I was very compelled by what a number of Senators on both sides of the aisle said. And I'm hopeful that we'll have a bipartisan, both-house bill that we can be proud of and that the Governor will sign. Because, you know, I mean we're New Yorkers, and we're the best, and we'll figure it out.

But I'm going to vote no on this, Mr. President. Thank you.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the negative.

Senator Seward.

SENATOR SEWARD: Thank you, Mr. President.

I rise in support of this legislation. There is no question that the high price of gasoline and diesel fuel is killing families, businesses, and is having a very negative impact on our state's economy.

And this is a problem that's much larger than New York State. It's a national and indeed an international problem and

phenomenon of what we're seeing in terms of these high prices.

And we in New York State, when it comes to the price of petroleum products, we are looking at a situation where so much of this is beyond our control. We cannot do anything about worldwide consumption and some of these emerging economies, like in China and India. We can't do anything about how much oil is produced by the OPEC nations. We cannot do much other than talk about the lack of federal government action on this issue.

But there's one thing we can control in New York, and that is the tax on gasoline and diesel fuel. And that is what this legislation is all about, taking some action in an arena that we can control.

This legislation provides admittedly short-term relief. It's a Band-Aid on a larger problem. But it is relief, meaningful relief for working families, businesses, truckers, all those that need to travel throughout this state.

And coming from an area that depends very heavily on tourism for our

economy, this legislation will be a big boost for our local economy, as it will help people to afford to visit Central New York and throughout our state.

Some people talk about the loss of revenue under this legislation. I say if we don't move forward with this type of legislation, we're really going to see losses of revenue --

ACTING PRESIDENT MORAHAN: Thank you, Senator. Thank you very much.

(Laughter.)

SENATOR SEWARD: Thank you.

You get my point, Mr. President. I vote yes.

ACTING PRESIDENT MORAHAN: I certainly do. You got my point too.

(Laughter.)

ACTING PRESIDENT MORAHAN: Senator Maltese.

SENATOR MALTESE: Mr. President, I first of all want to commend my good colleague Senator Stachowski, because he comes up with a commonsense approach. If this bill is going to reduce the taxes on one of my

constituents who wants to fill up with a tank of gasoline, then I'm for it.

I commend Senator Adams, who says this is not a Republican or a Democrat bill, it is a commonsense bill and it is a bill that can be supported.

On the other hand, I take issue with a colleague who says -- who lectures us for 15 minutes on everything that's wrong with the bill and then says "On the other hand, I'm voting for it."

I at least could admire a good colleague who's not here in the chamber who tells us everything that's wrong with it and then says that he's going to vote against it. On the other hand, he seems very, very conversant and knowledgeable about every gas station in New Jersey as he fills up his tank, rather than here in New York.

Mr. President, when I'm asked by a constituent "How did you vote on a bill that would have reduced the taxes on gasoline for my car for even a limited period of time?" -- Mr. President, I'm going to tell him I vote aye.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the affirmative.

Senator Oppenheimer.

SENATOR OPPENHEIMER: Oh, good.

(Laughter.)

SENATOR OPPENHEIMER: Sorry. Scratch that.

In a bipartisan fashion, I would like to say that I wholeheartedly support what Senator Marcellino was saying about the home heating oil, where he has a bill, and I will try to get on it, which will give a thousand dollars during January and February to those families that are less well-to-do and need help with their heating oil.

The same should apply to this. If we want to make sure that it is going to the people that need it, we should give a $100 rebate to families earning $150,000 or, you know, $175,000. Then you know the money is getting to the right place.

My problem with this is that my fear is that the money will not go to the motorist and that, instead, it will go to the

refiner, to the wholesaler. We have seen that. We have seen the remarkable growth in the profits of our oil companies just this year.

So my feeling is that we have seen empirical evidence that this does not work. Because we had 15 counties that had been part of the rebate, the cap on sales tax, and seven of those counties found that the savings was not going to the motorist --

ACTING PRESIDENT MORAHAN: Thank you, Senator.

SENATOR OPPENHEIMER: -- and the savings was not going -- I'll finish the sentence -- the savings was not going to anyone --

ACTING PRESIDENT MORAHAN: Thank you, Senator.

SENATOR OPPENHEIMER: -- and not to the government. And that's why they had to increase their property sales tax.

So I'm going to be against it.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the -- what, negative? How did you vote, Senator?

SENATOR OPPENHEIMER: I'm against it. No.

ACTING PRESIDENT MORAHAN: No. Recorded in the negative.

Senator Onorato.

SENATOR ONORATO: To explain my vote, Mr. President.

I think that Senator Lanza has good intentions. But as we all know, many good deeds go unpunished.

This bill may have another side effect when we start to take $620 million out of the budget. It's got to be made up somewhere, and I'm afraid that that somewhere is going to fall on the shoulders of our senior citizens, who may be deprived of some of the benefits that they're being entitled to along the year.

But I'm certainly not going to vote against anything that's going to reduce taxes on a short-term basis. But I also want to remind people that there is definitely a consequence to this bill.

I vote aye.

ACTING PRESIDENT MORAHAN: Thank

you, Senator Onorato. You will be recorded in the affirmative.

Senator Padavan.

SENATOR PADAVAN: Thank you, Mr. President. I'm going to be very quick, because I see most of our colleagues are heading in different directions. There goes another one right now.

But I want to thank Senator Lanza, not only for the excellent manner in which he presented this proposal to all of us and the arguments he made, the many, many questions he answered, but the fact that he did it over an extended period of time and he did it with style and grace.

Unfortunately, we had some members who chose a different path. We can argue, obviously, and debate and discuss -- that's what we're here to do -- different points of view on any issue. But when we stand up and challenge the motivation of another member, citing this bill as reflecting the stench of political pandering, that's totally uncalled-for. It has no place here.

And those who do that should be, I

think, chastised. And that's why I'm standing up. He's not here, though.

Some said what have we done for the home heating fuel, for people who are paying these high prices to heat their homes and so on. Well, I remind you we eliminated the state sales tax completely on home heating energy fuel. And you all voted for it, everybody. I didn't hear anything about pandering then.

We eliminated the sales tax on clothing entirely. Previously we had done it for certain increments of time, for certain thresholds, $110. And then we eliminated it completely in the City of New York and elsewhere. I didn't hear anybody say that was pandering.

Why did we do those things? For two basic reasons. We were helping our constituents. And that's what we're supposed to do in bad economic times. And we listened to others, like the Mayor of the City of New York, who said people are going over to New Jersey to shop because the sales tax is less.

And as Senator Lanza pointed out time after time, they're going over there to buy gas because it's less --

ACTING PRESIDENT MORAHAN: Thank you, Senator.

SENATOR PADAVAN: -- as a result of the sales tax.

I thank you too, Senator.

(Laughter.)

SENATOR PADAVAN: You've done a great job. If anybody hasn't said so lately, let me do so now.

I vote aye.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the affirmative.

Senator Breslin.

SENATOR BRESLIN: Thank you, Mr. President.

I couldn't agree with Senator Padavan more. In terms of a three-hour debate, a three-hour debate back and forth, Senator Lanza, you were graceful in answering questions and trying to take the right approach.

But my conclusion is that nothing I've heard today guarantees that those refiners, that those distributors will pass on that 32 cents they're going to gain through the tax. And I've watched counties, in Albany and around me, who have capped and seen the prices stay where they are, no benefit to the consumer. And I'm not convinced that that won't happen here.

And if it doesn't, if it happens here that it isn't passed on, come September, as we've done in the past, we'll face a $600 million deficit. And what do we do then? We do as Senator Onorato said. We put it on the backs of the middle class, the elderly, the marginalized, and say: Go away, your property taxes are increased. Or go away, you have less health benefits.

So unless and until I am convinced that that will be passed on -- because, you know, even if it is passed on, we're talking about people paying $3.70 a gallon. So I vote no.

Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank

you, Senator Breslin. You will be recorded in the negative.

Senator Sabini.

SENATOR SABINI: Thank you, Mr. President. To explain my vote.

I can see why there's a spirit of debate, and I can't fault anyone for voting yes or no on this legislation. But I have a different -- perhaps different way of looking at this.

Senator Connor mentioned how we have people who are experts in the oil industry in the White House and in the number-two spot in Washington. I don't think that's an accident. We don't have any oil wells in this state that I know of. We don't produce oil. Yet the price of crude oil by the barrel is at record highs.

Last Friday the largest corporation in the history of the planet we live on, Exxon Mobil, announced a record profit for the quarter -- and their stock fell. What does it say about the economic times that we live in and the examples that are set in our world economy if, in making record profits,

investors felt it wasn't enough on the backs of the consumer?

So I think that we're pointing the fingers at ourselves here and saying we should cut $500 million from the General Fund. I think the bill is a little cynically drafted. A lot of people have been praising the bill. It's a B print. The original money came out of the Highway Maintenance Fund and out of the MTA, and I guess maybe some people on the other side wouldn't have been able to vote for that, then, so we now made it the murky General Fund, so no one really gets hurt.

Except we do. The people from the State of New York will get hurt to the tune of $500 million.

And Senator Volker said he noticed who voted no on this. I'm noticing who's voting yes on this.

Some people had no problem a couple of weeks ago -- have no problem putting money into the back end of a car by giving us money back on the gas tax, but had no problem taking 8 bucks off the front end of the car if you're driving in Manhattan. Some of the same people

voting yes today were ready to vote for that, and I didn't hear any hand-wringing then about working people in New York, like some of us had raised.

So now --

ACTING PRESIDENT MORAHAN: Thank you very much, Senator.

SENATOR SABINI: -- I'm going to be voting no. I don't think that there's any good or bad in this. I think you can have a difference of opinion. But I'll be casting my vote in the negative.

ACTING PRESIDENT MORAHAN: Thank you very much, Senator. You will be recorded in the negative.

Senator Krueger.

SENATOR LIZ KRUEGER: Thank you, Mr. President. I also want to say what a fine job you've been doing today. Don't take that off my two minutes.

So I started several hours ago arguing that this bill was bad policy. And I listened to most of the debate -- I got called out for a few minutes. And again, I would still make the argument with respect to

Senator Lanza's bill that I'm not sure it's good public policy to reduce the price of petroleum. But that's not the argument we were having today. That's not the argument we're faced with right now.

If we want to reduce the price of petroleum for drivers in New York State, I would argue we want a bill that actually gives them the money. And that if that was the assignment, this wasn't the right bill.

So I have to vote against this for two reasons, Mr. President. One, because I'm not sure it's good public policy, even under these difficult circumstances, to lower the cost of gasoline. And before one more person attacks my wonderful borough of Manhattan, we pay more for gas than upstate New York.

Two, if you're going to do that, then I would argue you want to do it through your tax system, through an actual rebate that goes to the people most in need. This is a bill that research and science and history in New York State show us will increase the profit margin for the oil industry, not reduce the prices at the pump.

And my colleague Senator Connor, Marty Connor, when he said the price will go up 32 cents right before elections, is absolutely correct. We won't see the price go down, but we sure will see that 32 cents add on the day this bill goes out of effect.

So I vote no for several reasons. Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the negative.

Senator Hassell-Thompson, to explain her vote.

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. Just to explain my vote.

It is clear that we have had a long and hearty debate here, and I want to go on the record as saying very clearly that while I think that the bill intent by Senator Lanza is an excellent one -- and I don't think that there was anything in my presentation or the majority of the presentations that negated that -- my concern was that I did not see in the bill a way to ensure that what we say we want to have happen will in fact happen.

And the reason I asked for the bill to be held was so that we could create the language that would help us to guarantee that. Not to stall, but to ensure that what we say we're doing is what is really going to happen. Because when we don't deliver what we promise, I think we do a greater disservice than when we don't do anything at all.

So, Mr. President, even after three and a half hours of sitting through this debate, I continue to vote no without those guarantees.

Thank you, sir.

ACTING PRESIDENT MORAHAN: Thank you, Senator. You will be recorded in the negative.

Senator Stewart-Cousins, to explain her vote.

SENATOR STEWART-COUSINS: Thank you, Mr. President.

I rise -- and I do want to congratulate my colleague Senator Lanza for putting this forward. And I rise not only to explain my vote, but I really want to explain my vote.

Because when I spend time in the district, what I do is what everybody does. We go around, we talk to our constituents. I will say beyond a doubt that this issue is the thing that really people are talking about. If I talk to my seniors, they're concerned about gas. If I talk to the young people, they're concerned. Everyone understands there is pain at the pump.

So I stand here today to say I'm going to vote for this piece of legislation because it's important that people understand that we hear them and that we are responsive. But I also want to explain that when I leave here, the prices are not going to go down, because there is work that we have to do.

There is work on the Assembly side, there is work with the Governor, there is work. Because people will have listened to this for three hours and believe that 32 cents will be off of their gas bill. That will not be the case.

With the passion that Senator Lanza has, I think that passion, with a bipartisan effort, can get us somewhere, can get us

relief for our constituents, can get us beyond a three-hour debate to the reality of really abating the pain that people are experiencing at the gas pump.

So yes, I will vote for this piece of legislation. But I really am looking forward to the day when we can indeed reduce the taxes and indeed also find a way in our legislation to penalize those who do not pass on the savings.

I vote aye.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

And the last person I have listed to explain his vote is Senator Robach, before they put the lights out here.

SENATOR ROBACH: Can I have four minutes, Mr. President?

(Laughter.)

SENATOR ROBACH: No, just joking.

I would say, very quickly, this has been a good debate. It is good. We clearly need a national policy. But I don't think there's anything wrong with being populist at times.

People talk about bipartisan. I don't know where people are living, I don't know anybody that says we don't pay enough tax in New York. This is something, the economy, everybody knows if you lower the tax, competition will lower it.

Would we like to get into the profits of gas companies? Absolutely. Hopefully they'll find a way to do that.

But in the interim this is, as has been said before, one thing we can do to help people. And not only help them. In upstate New York it's just a fact -- yes, you can conserve, you can do different things. But certain people in their businesses are going to drive to work, they're going to deliver food, they're going to deliver medicine. Kids commute to college. That's the way it is. They don't have a choice.

And this policy will help young and old, working families, businesses, private people, everything. This is a great tax to cut.

And I want to say on the record just the opposite -- you're right, we

shouldn't take it off in September. We should go right through. With rising gas prices, rising food prices, adjustable-rate mortgages, talking about the economy, we ought to use the rainy day fund, whatever it is, because in my district it's pouring for those people.

Let's do something that's popular instead of worrying about policies at other levels of government and things we can't control. This is why I'm very happy to applaud Senator Lanza and vote yes. People want it, people need it.

Do I have any time left? No, I'm only kidding.

(Laughter.)

SENATOR ROBACH: I vote in the affirmative. Thank you, Mr. President.

ACTING PRESIDENT MORAHAN: Thank you, Senator.

Announce the results.

THE SECRETARY: Those recorded in the negative on Calendar Number 1086 are Senators Breslin, Connor, Duane, Gonzalez, Hassell-Thompson, L. Krueger, Montgomery, Oppenheimer, Parker, Perkins, Sabini, Sampson,

Schneiderman, Serrano and Stavisky.

Ayes, 46. Nays, 15.

ACTING PRESIDENT MORAHAN: The bill is passed.

Senator Griffo, that completes the controversial reading of the calendar.

SENATOR GRIFFO: Thank you, Mr. President.

I have a couple of motions.

ACTING PRESIDENT MORAHAN: All right.

SENATOR GRIFFO: Mr. President, on page 41 I offer the following amendments to Calendar Number 594, Senate Print 3852A, by Senator Flanagan, and ask that said bill retain its place on Third Reading Calendar.

ACTING PRESIDENT MORAHAN: The amendments are received, and the bill will retain its place on the Third Reading Calendar.

SENATOR GRIFFO: Mr. President, on page 45 I offer the following amendments to Calendar Number 682, Senate Print 2879, by Senator DeFrancisco, and ask that said bill retain its place on Third Reading Calendar.

ACTING PRESIDENT MORAHAN: The amendments are received, and the bill will retain its place on the Third Reading Calendar.

SENATOR GRIFFO: Mr. President, is there any further business before the desk?

ACTING PRESIDENT MORAHAN: No, there is not.

SENATOR GRIFFO: There being none, then I move that we adjourn until Monday, May 12th, at 3:00 p.m., with intervening days being legislative days.

ACTING PRESIDENT MORAHAN: On motion, the Senate stands adjourned until Monday, May 12th, at 3:00 p.m., intervening days being legislative days.

Good night and good luck.

(Whereupon, at 3:16 p.m., the Senate adjourned.)