



New York's Not Exactly "Open for Business": Report

By James King - Wed., Oct. 10, 2012

Governor Andrew Cuomo earned a big, fat D in a recent grading of his fiscal policies by the Libertarian Cato Institute.

This, of course, comes as the governor has declared New York "open for business."

Cuomo's D -- on a scale of A through F -- might have a little bit to do with a different group's ranking New York dead last in terms of how business-friendly its tax policies are.

Of New York's governor -- who is eyeing a run for the White House in 2016 -- the Institute says the following:

New York
Andrew Cuomo, Democrat
Legislature: Divided
Grade: D
Took Office: January 2011

In his January 2011 State of the State address, Governor Cuomo said that New York must "hold the line on taxes now and reduce taxes in the future." Unfortunately, the governor has not lived up to that pledge.

In December 2011, Cuomo signed an increase in the top personal income tax rate, which is expected to raise \$1.9 billion annually. A previous "temporary" hike in the top rate from 6.85 percent to rates of 7.85 percent and 8.97 percent was supposed to expire at the end of 2011. But Cuomo's legislation will "temporarily" create a new top rate of 8.82 percent through the end of 2014. Cuomo's tax plan included some tax breaks, but the overall net tax increase was more than \$1.5 billion a

year. These tax hikes won't help the New York economy, which already suffers from having the second worst business tax climate in the nation.

There were no new taxes in the governor's budget this year, and his spending increases have been about average among the governors. Also to his credit, Cuomo approved pension reforms for public sector workers, which could save state and local governments in New York tens of billions of dollars over coming years.

In New York City alone, the annual cost of pensions for city workers has exploded from \$1.3 billion to \$8 billion in just the past decade. So Cuomo's reforms were desperately needed, but much more needs to be done to reduce government spending in New York.

Again, this comes just over a month after Cuomo kicked off his "New York: Open For Business" marketing campaign, about which he says, "The 'New York Open for Business' campaign will get the message out to companies throughout the world that New York is a premier place for businesses to invest and grow,. As we continue to transform Albany's approach to economic development, we must emphasize the many advantages New York has to offer, including our central location, our wealth of resources, our unequalled network of colleges and universities, and our diverse, innovative, educated and hard-working residents. With this campaign, we will help build a stronger economy and foster greater private investment throughout New York State."

See the entire report below.