

Flanagan: Payroll tax impractical

Key Republican: Time's too short for workable plan

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ALBANY — The state Legislature's top Republican on Tuesday threw cold water on Gov. Andrew M. Cuomo's proposal to shift the state revenue base from income taxes to payroll taxes.

Senate Majority Leader John Flanagan didn't call the proposal dead. But he said he opposes the concept, questions whether it would be welcomed widely by employers or employees, and doubts lawmakers, even if inclined to go along with the governor, could produce an acceptable framework by April 1, the beginning of New York's fiscal year.

"My visceral reaction is I think all of our colleagues are opposed to it," Flanagan (R-East Northport) said at a state Capitol news conference, surrounded by other Republicans. Referring to the unpopular MTA payroll tax im-

posed right after the 2008 national economic meltdown, he said the idea of a payroll tax "makes my head spin."

A spokesman for Cuomo didn't directly address Flanagan's comments, but he criticized Flanagan for supporting President Donald Trump, "who is hostile to New York values."

Outlining Senate Republicans' overall state budget strategy, Flanagan also called for cutting almost \$1 billion in taxes on energy, manufacturing and small businesses and ending the controversial business incentive program Start-Up NY, which he called ineffective.

But other than cutting \$44 million in Start-Up NY advertising, Flanagan didn't spell out how he'd reduce spending to offset the tax cuts.

On Monday, Cuomo officials presented the governor's proposal to help some New Yorkers offset a new limitation on federal deductions for state and local taxes. Cuomo's plan would eliminate income taxes for individuals and shift to withholding money for payroll taxes collected by employers.



State Senate Majority Leader John Flanagan doubts that employers and employees would embrace plan.

The concept is that employees would break even on take-home pay but reduce the amount of taxable federal income, thereby reducing their tax liability. Businesses would get a state tax credit to offset the payroll tax and be able to deduct the amount from their taxes.

Cuomo also proposes having individuals stop paying property taxes for schools and instead pay an equivalent amount to a "charitable" education fund to pay for

local schools, an idea endorsed by some legislators.

But both plans would be voluntary. Analysts and business groups questioned how many employers would go through the process of completely overhauling payroll. Some school officials also expressed concern about their ability to establish and run such charitable funds.

Further, the U.S. Treasury Department has signaled it would be skeptical about some of the

tax workarounds New York and other states are considering.

"We think we are living within the structure of the law," Cuomo budget director Robert Mujica told reporters Monday.

Cuomo's proposal isn't in writing yet. His budget division plans to include it as part of the governor's proposed amendment to the state budget on Thursday. The governor and lawmakers are supposed to adopt a spending plan by April 1.

State funds immigration counseling as DACA, TPS end

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New York is partnering with advocacy nonprofits for outreach to immigrants concerned about the threat of deportation as they lose their lawful status because the Trump administration is curtailing programs allowing them to stay legally in the United States.

The state has been funding programs through its Office for New Americans to provide guidance to those losing protections under the Deferred Action for Childhood Arrivals, or DACA, and the Temporary Protected Status, or TPS.

That commitment will be

sustained, Gov. Andrew M. Cuomo said in a statement, as the state "will continue to fight for the American Dream of thousands of residents who contribute to our society."

The next "Know Your Rights" workshops will take place in Manhattan and Queens, and in upstate Spring Valley and Utica. Well-attended workshops have been held on Long Island, and the outreach will continue here through one-on-one consultations with affected immigrants at the Central American Refugee Center in Hempstead and Brentwood.

The state cannot offer any solution to people's immigration

predicament, but part of its aim is to prevent those vulnerable to deportation from being misled.

"There's a lot of fear, a lot of 'what comes next' and people who out of desperation are allowing themselves to be drawn in" by paralegals known as "notarios" or by costly "unscrupulous attorneys who are promising immigration benefits and hope that doesn't really exist," said Elise S. Damas, an attorney with the Central American Refugee Center.

The DACA program has shielded hundreds of thousands of young immigrants who were brought to the United States illegally as minors, but the Trump adminis-

tration announced its wind-down of those protections this year. About 32,900 immigrants under DACA live in New York, according to federal government statistics.

The TPS protections, granted to immigrants from nations in turmoil due to such factors as war and natural disasters, are set to end next year for Salvadorans, Haitians and Nicaraguans.

As many as 16,200 Salvadorans and 5,200 Haitians are among TPS recipients in New York, according to estimates by the Center for American Progress. The number of affected Nicaraguans has not been estimated, but their population is relatively small in New York.

MORE WORKSHOPS

- **THURSDAY:** Liberty Defense Project TPS/DACA Town Hall, 5-8 p.m. Northern Manhattan Coalition for Immigrant Rights and Hispanic Federation, at Fort Washington Collegiate Church, 729 W. 181 St., Washington Heights, Manhattan.
- **MARCH 16:** TPS/DACA Know Your Rights, 5-6 p.m. at Queens Library, 37-44 21st St., Long Island City, Queens.
- **FOR CONSULTATIONS** at Central American Refugee Center, which has offices in Hempstead and Brentwood, call 516-489-8330.