



Dear Neighbors,

As many of you know the NYS budget process this year was quite dynamic to say the least. The COVID-19 pandemic impacted our families, neighborhoods, and communities, and our economy. The mandate for state legislators was to address the harm that this pandemic has caused all the social inequities that it exacerbated all while addressing the years of austerity that our schools, local governments, and social services have experienced. We had many big wins in this budget not only with respect to directing the use of the needed short-term federal aid but also state funding to build a stronger economy to foster a transition out of this recession. I am deeply grateful to have such engaged, thoughtful, and well-informed constituents: your calls and letters throughout the budget process guided my advocacy within negotiations and your notes of encouragement gave me renewed energy during the longest days.

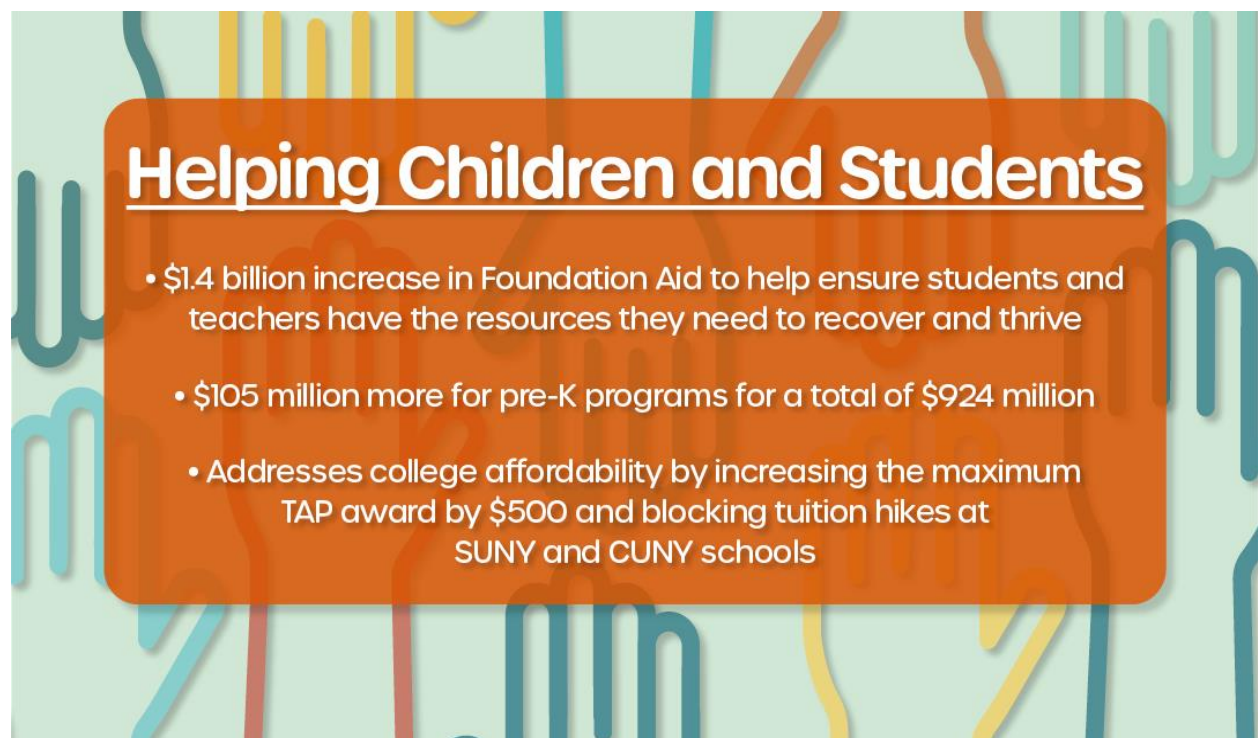
The infographic is titled "REBUILDING the ECONOMY" and features a gear icon with a dollar sign inside. It is divided into two columns of funding details. The left column is titled "\$1 billion to help small businesses affected by COVID-19:" and lists five items. The right column is titled "\$350 million increase for the DOT Capital Plan, including:" and lists three items. The background is blue with a grid pattern.

\$1 billion to help small businesses affected by COVID-19:	\$350 million increase for the DOT Capital Plan, including:
⚙️ \$800 million for small business grants	⚙️ \$100 million more for CHIPs, and an additional \$100 million for the Extreme Winter Recovery program, and \$50 million more for PAVE NY
⚙️ \$40 million for the Arts Recovery Grants Program	⚙️ \$39.7 million more for the Marchiselli program
⚙️ \$35 million in tax credits for restaurants in areas impacted by enhanced COVID-19 restrictions	⚙️ \$100 million for a new program to reimburse local governments for road and bridge repair
⚙️ \$25 million for the NY Restaurant Resiliency Grant Program	
⚙️ \$100 million for a musical and theatrical production credit	

With the pace of vaccinations rapidly increasing, and the federal American Rescue Plan bringing much-needed temporary relief to Tompkins and Cortland counties, there are brighter days ahead. The Biden Administration's American Rescue Plan delivers critical emergency funding to our state this year. With a significant budget gap caused by the pandemic, a lack of federal help will have led to layoffs, higher taxes on working families, and cuts to essential services. The Biden Administration and the majority party in Congress came through for New Yorkers and we are grateful. But this critical funding is designed for short-term immediate recovery efforts; the 2021-22 budget includes this funding but also makes state investments needed for sustained growth.

Over the last 10 years there have been a number of tax cuts on the wealthy including personal income tax cuts, corporate tax cuts, and tax cuts on luxury properties. In this 2021-22 state budget we committed to rectify this trend and ensure millionaires and the biggest businesses in the state that make millions in profits pay their fair share. Simultaneously the budget that we passed last week includes emergency grant funds for small businesses in the hardest hit industries, like restaurants, entertainment and agriculture. To this end, I was proud to carry the Corporate Tax bill ([A4595](#)) through this budget season which was included in the final budget we passed last week. My bill was one of six revenue raiser bills put forward as the Invest in Our New York package.

While this budget does not go as far as we hoped to address the many needs of New Yorkers, we were successful in increasing the corporate tax rate from 6.5% to 7.25% for corporate franchise taxpayers with incomes over \$5 million. In addition, it increases the existing top tax rate from 8.82% to 9.65% for those with incomes between \$1 million (\$2 million for joint filers) and \$5 million, to 10.3% for those with incomes between \$5 million and \$25 million, and to 10.9% for those with incomes over \$25 million. The business tax proposals are expected to generate \$1.1 billion annually, while maintaining a smaller rate for smaller businesses. Overall, the new tax structure is estimated to generate \$3.5 billion in fiscal year 2021-2022 and \$4.3 billion in 2022-23.

An infographic with a light green background featuring stylized, colorful letters and numbers. A central orange rounded rectangle contains the title and three bullet points.

Helping Children and Students

- \$1.4 billion increase in Foundation Aid to help ensure students and teachers have the resources they need to recover and thrive
- \$105 million more for pre-K programs for a total of \$924 million
- Addresses college affordability by increasing the maximum TAP award by \$500 and blocking tuition hikes at SUNY and CUNY schools

The State Legislature prioritized fiscal policies to recover and rebuild from this pandemic and rejected the continuation of decades of austerity measures and cuts to critical services. This budget, for example, includes significant additional funding for K through 12 and higher education, offers significant rent and mortgage relief, and helps small businesses rebound.

Over the next few weeks, I will share some additional highlights included in the 2021-2022 budget. In addition, we will share details regarding the implementation of these critical programs as they are rolled out. In the meantime, if you have any questions about specific programs and resources included in the state budget, please give the office a call and we will do our best to find answers for you.

In good health,

A handwritten signature in black ink that reads "Anna R. Kelles". The signature is written in a cursive style with a large initial 'A'.

Dr. Anna R. Kelles

Assemblymember, 125th A.D.