

VETO MESSAGE - No. 203

TO THE ASSEMBLY:

I am returning herewith, without my approval, the following bill:

Assembly Bill Number 7806-A, entitled:

"AN ACT to amend the tax law, in relation to exempting tangible personal property purchased by a tenant for use directly and exclusively to furnish and equip the tenant's leased premises for use as a commercial office space; and to amend part C of chapter 2 of the laws of 2005 amending the tax law relating to exemptions from sales and use taxes, in relation to the effectiveness thereof (Part A); to amend the real property tax law and the administrative code of the city of New York, in relation to extending a real property tax abatement program for certain commercial properties in cities having a population of one million or more and in relation to extending a special reduction under the commercial rent tax in the city of New York (Part B); to amend the real property tax law and the administrative code of the city of New York, in relation to applications for tax abatements for industrial and commercial construction work on properties in a city of one million or more persons (Part C); to amend the general city law and the administrative code of the city of New York, in relation to extending the relocation and employment assistance program and the Lower Manhattan relocation and employment assistance program (Part D); to amend the general city law and the administrative code of the city of New York, in relation to extending the special rebates and discounts provided pursuant to the energy cost savings program and the Lower Manhattan energy program (Part E); to amend the administrative code of the city of New York, in relation to the amount of special reduction allowed (Part F); and to amend the real property tax law, in relation to a real estate tax abatement program for certain commercial, industrial and manufacturing properties in a city of one million or more persons (Part G)"

NOT APPROVED

This bill would extend for two years various New York City revitalization tax incentive programs and tax abatements which have assisted New York City to recover from the economic effects of the 9/11 attacks and Superstorm Sandy. I agree that they should be extended. However, within the bill, Part A would substantially alter one such program -- the Lower Manhattan State and Local Sales Tax Exemption -- by loosening the eligibility criteria at a great cost, but with no corresponding relief, to the State's financial plan. Moreover, that program does not even expire until 2014.

This unwarranted expansion, passed without discussion with the Executive or the Division of Budget, would increase the cost to State taxpayers of this program by \$10 million for this year and \$20 million for each year thereafter. It would also have an impact on the State's and New York City's financial plans. As noted, the Legislature did not discuss this with the Executive; thus, I cannot approve the legislation as it now stands.

However, if the Legislature were to pass a bill that extends, but not

expands, the programs extended in this bill, I would sign that bill.

The bill is disapproved.

(signed) ANDREW M. CUOMO
