

SALES TAX ON RESIDENTIAL ENERGY TO END JUNE 1ST

Dutchess County Legislature set to adopt resolution at Monday Board Meeting

Poughkeepsie, NY ... On Monday, April 7th, the Dutchess County Legislature will adopt the necessary resolution to reinstate the local sales tax exemption on residential energy purchases effective June 1st, the earliest possible date allowed by New York State. Dutchess County Executive Marcus J. Molinaro will sign the resolution when he receives it on Tuesday, April 8th following legislative adoption.

Dutchess County Executive Marcus J. Molinaro said, "Dutchess County residents have made their voices heard and the exemption will be restored, eliminating the county sales tax on residential energy. Our state leaders got the message from Dutchess County loud and clear – stop expecting Dutchess County taxpayers to foot Albany's bills. We have a lot of work ahead to find real, long term solutions to the problem of state mandates, but with help from our state representatives, particularly Senator Greg Ball and Assemblywoman Didi Barrett, we can relieve the burden of residential sales tax on energy on county residents."

Under the guidelines of the New York State Department of Taxation and Finance, which is the agency responsible for sales tax collection and distribution, sales tax changes can only take effect on the first day of a sales tax quarter – those dates in New York State are March 1st, June 1st, September 1st and December 1st. The State Department of Taxation and Finance normally requires a 90 day notice for any sales tax changes, however a waiver can be granted. The Dutchess County Legislature will request a waiver in order to make the sales tax exemption effective at the earliest possible date – June 1st.

Dutchess County Legislature Chairman Robert Rolison said, "As has been stated all along, if the state delivered the relief needed, I would immediately begin the process of repealing the energy tax. We will vote to repeal the tax on Monday effective at the earliest date New York State allows."

In order to offset the increasing cost of state and federal mandates that consume **70%** of the Dutchess County budget and balance the 2014 Dutchess County budget with stable, recurring revenue to pay for critical county services, the sales tax exemption was repealed effective March 1st, 2014. This sales tax revenue was budgeted at \$6.4 million for 2014. The exemption repeal was an alternative to a significant property tax increase or the elimination of core county services such as law enforcement, road repair, snow plowing, county parks, 911 emergency dispatch and more. Dutchess County was the 22nd county in New York State to repeal its exemption on residential energy in order to maintain county services while

having to fund state mandated programs. There are a total of 57 municipalities across the state that charge local sales tax on residential energy purchases.

County Executive Molinaro, together with Legislature Chairman Rob Rolison and other members of the Dutchess County Legislature, launched an aggressive campaign to lobby state representatives for mandate relief in order to reinstate the exemption as quickly as possible. New York Senator Greg Ball and Assemblywoman Didi Barrett were successful in identifying and securing \$5.25 million in state funding to address critical, unique needs in Dutchess County. The funding includes \$3.5 million to address growth in mental health populations as a result of a series of state facility closures and \$1.4 million for corrections and reentry programs.

The funding secured by Senator Ball and Assemblywoman Barrett was part of the New York State 2014-15 budget, which was adopted earlier this week. Senator Terry Gipson and Assembly members Frank Skartados and Kevin Cahill also voted for the adoption of the state budget.

Dutchess County Legislature Majority Angela E. Flesland, "Finding a way to reinstate the sales tax exemption without having to eliminate vital core county services our residents depend on has been our most important priority. We are grateful for the state aid assistance secured by Senator Ball and Assemblywoman Barrett that will make the return of the exemption possible. We must not lose sight, however, of the continued need for mandate relief if we are going to ensure fiscal stability for county governments on a long term basis."

Dutchess County Legislature Minority Leader Barbara Jeter- Jackson said, "By working together and putting politics aside, we are able to deliver relief to our Dutchess County residents by ending sales tax on residential energy. I am proud to sponsor this resolution and look forward to its overwhelming approval at Monday's board meeting."

According to Dutchess County Legislature's Budget, Finance and Personnel (BFP) Committee Chairman Dale Borchert, he will convene a special meeting of the BFP Committee on Monday, April 7th at 6:30pm to meet all the necessary requirements for resolution adoption at the full Dutchess County Legislature board meeting at 7pm. "This is a meeting we all look forward to attending in order to return the sales tax exemption as quickly as we can," said Borchert.

The County Executive has up to ten days to sign resolutions following legislative adoption, however County Executive Molinaro plans to approve the resolution as soon as he receives it on Tuesday, April 7th to expedite the waiver request to the State Department of Taxation and Finance.

“We are grateful to Senator Ball and Assemblyman Barrett for working with us to end this burden on our county residents. We must continue to work to find real, long term solutions to the issue of state imposed mandates. We will not shy away from this issue, rather we look forward to working together with all of our state representatives to provide long term mandate relief for Dutchess County residents,” concluded County Executive Molinaro.

For more detailed information about the sales tax exemption process, please see April 3, 2014 Memo from County Attorney James Fedorchak RE: Residential Energy Tax Exemption and Refund Issue. Click here to view it online:

<http://dutchessny.gov/countygov/departments/countyexecutive/CAResidentialEnergyTaxRepealandRefundMemo4.3.2014.pdf>

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