

October 21, 2009

Senator John L. Sampson
Conference Leader
New York State Senate
409 LOB
Albany, New York 12247

Dear Conference Leader Sampson:

As the Legislature and Governor address the State's growing budget deficit, I am deeply concerned that the discussion to resolve this issue seems to have focused solely on funding reductions. I believe this approach is one-sided and harmful, especially to the most vulnerable residents of New York State including children, the disabled and the elderly.

With this in mind, I present to you five bills (the bill text and sponsor's memos are attached) that I have introduced which will raise significant revenue for the state. I ask that when the Senate reconvenes later this month, these bills be put on a Rules Committee Agenda and moved to the floor for an immediate vote.

1) S.1645A creates the New York State Prescription Medication Cost Containment Program in the Elder Law and will allow EPIC participants to voluntarily purchase their prescription medications from Canada. This bill is based on a program that currently operates in Schenectady County. Since 2005, Schenectady County has saved almost \$6 million dollars.

2) S.2550A requires issuers of debit and credit cards to pay sales and use taxes directly to the Commissioner of Taxation and Finance. A major source of failure to comply with New York State sales taxes being remitted to the State from vendors who collect such taxes from their customers is the current system which relies solely upon the thousands of vendors to voluntarily remit these taxes. New York State is losing millions of dollars in sales tax under the current system.

3) S.6209 creates the New York State Seniors Trust Fund in order to provide a source of additional funding for the home delivered meals program. The New York State personal income tax form already provides an opportunity for taxpayers to make voluntary contributions to a variety of worthwhile causes. Home delivered meals for senior citizens should be one of those

causes for which voluntary contributions can be made through a tax check-off on the New York State personal income tax form. Home delivered meals are a critical component in assisting the frail elderly to remain at home. However, there are seniors currently on waiting lists to receive these meals. Waiting lists for home delivered meals are not required to be reported to the New York State Office for the Aging. However, recent changes to this program in New York City revealed that there are about 1,200 older adults ages 60 and over on waiting lists to receive the meals. Given that New York City represents 39% of the states older adult population, we can infer the statewide waiting lists to be about 3,100.

4) S.6210 creates the New York State Prescription Medication Cost Containment Program in Civil Service Law and will enhance cost savings to New York State in the procurement of prescription medications for its civil service employees and retirees. This legislation is based on a program that has operated in Schenectady County since 2004. The county has obtained significant cost savings by using a voluntary program whereby its employees and retirees can obtain their prescription medications through a Canadian drug purchasing program. Approximately 60% of the county's active employees and 95% of its retirees participate in the program.

5) S.6236 which imposes a 50% tax on the benefits paid to corporate employers who own life insurance policies on their employees or retirees. Corporate owned life insurance, better known as “dead peasants” or “janitors” insurance, is a life insurance policy that is taken out on low-level employees, often without the knowledge or consent of the employee, and whose families are not named as beneficiaries when the employee or retiree dies. When the employee or retiree dies, these tax free benefits are collected by the employer. Furthermore, companies frequently use these policies to pay for retirement benefits and other perks for their top executives. Companies that supposedly engage in the practice of purchasing these policies include Wal-Mart, Dow Chemical, Proctor & Gamble and Walt Disney.

In closing, let me reiterate that New York State must find creative solutions to raise revenue as it works to resolve the current budget crisis. I believe these bills, once enacted, will go a long way to secure New York’s financial future. I look forward to working closely with you and other members of the Senate to ensure these bills are passed by the legislature and signed into law by the Governor.

Sincerely,

A handwritten signature in black ink, appearing to read "Ruben Diaz", written in a cursive style.

Senator Reverend Rubén Díaz, Sr.

cc: Senate and Assembly Colleagues