March 27, 2026

The Honorable Kathy Hochul
Governor of New York State
Executive Chambers, Capitol Building
Albany, New York

The Honorable Andrea Stewart-Cousins
Majority Leader, New York State Senate
Capitol Building, Room 330
Albany, New York

The Honorable Carl E. Heastie
Speaker, New York State Assembly
Capitol Building, Room 349
Albany, New York

Protecting New York's Economic Future: Statewide Coalition Urges Rejection of Massive Tax Increase Package in FY 2027 Budget Negotiations

Dear Governor Hochul, Speaker Heastie, and Majority Leader Stewart-Cousins,

We represent 30 trade, business, and research organizations from every region of New York state, collectively representing millions of New Yorkers — workers, small businesses, employers, and families. We write to urge you to reject, in full, the sweeping tax increase package under consideration in the fiscal year 2027 state budget.

We appreciate the governor's leadership at the outset of this budget process. The Executive Budget recognized the importance of affordability, competitiveness, and fiscal discipline, advancing a balanced approach without broad-based tax increases while prioritizing practical reforms to support New Yorkers. That framework reflects a clear understanding of the moment. One important exception, however, is the less visible but materially consequential research and experimentation (R&E) decoupling provisions from federal cost-recovery rules, which should be removed.

By contrast, the One-House proposals move in the opposite direction. Taken together, these proposed tax increases would raise costs across the entire private sector. They include higher corporate tax rates, increased taxes on high earners, expanded New York City business taxes, new burdens on financial institutions, higher taxes on partnerships and freelancers, limits on PTET credits that result in double taxation, the extension of the capital base tax, increased real estate transfer taxes, and additional industry-specific tax hikes.

At a time when affordability remains a top concern and employers are actively deciding where to invest, hire, and grow, this approach risks pushing New York further out of alignment with competing states.

The impact will not be abstract. Higher costs at the state level flow directly into hiring decisions, wage growth, consumer prices, housing affordability, and long-term investment. Raising taxes in a fragile economic moment does not make New York more affordable; it makes it more expensive and less competitive.

New York has already increased taxes in three of the last five budgets, even as other states compete aggressively for jobs, capital, and talent. Additional cost increases risk pushing investment and growth elsewhere, including through lesser known but still harmful provisions such as the proposed R&E federal decoupling changes, which would retroactively raise taxes on innovation and investment and reduce cash flow for hiring and growth.

These tax increases will not solve the state or city's underlying fiscal challenges. Without structural reforms to control spending and improve efficiency, new revenue will be temporary while the long-term impact on the economic base will be lasting.

We urge you to reject this tax increase package in its entirety. New York's future will be secured by growth, jobs, competitiveness, public safety, affordability, housing, quality of life, and accountable government. This is the moment to strengthen those foundations and protect the economic ecosystem that supports millions of New York families.

Our coalition stands ready to work with you to advance solutions that strengthen New York's economy and expand opportunity for all.

Respectfully,

Steven M. Fulop
President & CEO
The Partnership for New York City

Mark N. Eagan
President & CEO
Capital Region Chamber

Stacey I. Sikes
Acting President & CEO
Long Island Association

Linda M. Baran
President & CEO
Staten Island Chamber of Commerce

Jessica Walker
President & CEO
Manhattan Chamber of Commerce

Thomas J. Grech
President & CEO
Queens Chamber of Commerce

Grant Loomis
President & COO
Buffalo Niagara Partnership

John Ravitz
Executive Vice President & COO
Business Council of Westchester

Bob Duffy
President & CEO
Greater Rochester Chamber of Commerce

Stacey Duncan
President & CEO
Greater Binghamton Chamber of Commerce

Randy Peers
President & CEO
Brooklyn Chamber of Commerce

Heather B. Mulligan
President & CEO
The Business Council of New York State

Ashley E. Ranslow
New York State Director
National Federation of Independent Business (NFIB)

Katherine Slye-Hernandez, PhD
Senior Associate Director of Public Policy
New York Farm Bureau

Randy Wolken
President & CEO
MACNY – The Manufacturers Association

Zilvinas Silenas
President
Empire Center for Public Policy

Ryan M. Silva
Executive Director
New York State Economic Development Council (NYSEDC)

Kenneth E. Bentsen, Jr.
President & CEO
Securities Industry and Financial Markets Association (SIFMA)

Clare M. Cusack
President & CEO
New York Bankers Association

Bryan Corbett
President & CEO
Managed Funds Association (MFA)

James Whelan
President
Real Estate Board of New York

Julie Samuels
President & CEO
Tech:NYC

Mike Durant
President & CEO
Food Industry Alliance of New York State

Lori Raphael
Executive Director
Building Owners & Managers Association of Greater New York (BOMA New York)

Vijay Dandapani
President & CEO
Hotel Association of New York City

Carlo A. Scissura
President & CEO
New York Building Congress

Ann Korchak
Board President
Small Property Owners of New York

Kenny Burgos
CEO
New York Apartment Association

Melissa O'Connor
President & CEO
Retail Council of New York State

John T. Evers, PhD
President & CEO
American Council of Engineering Companies of New York

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SICC Staten Island Chamber of Commerce

GREATER ROCHESTER CHAMBER

ACEC New York

tech:nyc

NEW YORK STATE EDC Economic Development Council

Queens Chamber of Commerce

BOMA New York

CAPITAL REGION CHAMBER

HANYC HOTEL ASSOCIATION OF NEW YORK CITY

FIA FOOD INDUSTRY ALLIANCE of New York State, Inc.

BNP BUFFALO NIAGARA PARTNERSHIP

FARM BUREAU NEW YORK