Memorandum of Support

S 2649-C  KRUEGER / A 257-C  Cahill

Title: Requires the governor's tax expenditure reporting to include an enumeration of all fossil fuel related tax expenditures; imposes a 5 year expiration upon any fossil fuel related tax expenditures enacted.

Statement of Support: A year ago, after exhaustive efforts by the Senate and Assembly, Governor Cuomo signed into law the strongest climate legislation in the nation, mandating that New York receives all its energy from carbon neutral sources by 2040 and reduces its greenhouse gas emissions 85% by 2050, across all sectors. These legally required actions are necessary if we are to stave off the worst of increasingly severe storms, floods, droughts, agricultural blights and public health disasters. In the context of the COVID-19 crisis, these ambitious goals have been made all the more challenging.

For one, in order to achieve our renewable energy targets, New York is going to have to help fund the transition from fossil fuels to wind, solar, and geothermal power. With a looming $14 Billion-dollar deficit as a result of the pandemic, it appears that the state will have to do a lot of belt tightening to address the growing budget gap. While the Sierra Club advocates for continued funding of renewable energy projects, despite shortfalls, as a means to put more New Yorkers back to work and jumpstart economic growth, it seems wholly inappropriate for the State to continue to prop up fossil fuels in the form of existing subsidies, indirect incentives, and preferential rules.

According to the NYS Division of Budget in their FY 2020 Tax Expenditure Report, total fossil fuel related tax exemptions were close to $1,632,800,000. This is money the state is bleeding away to the benefit of those that endanger public health and thwart our climate goals. S 2649-C / A 257-C would require the State’s annual Tax Expenditure Report to include an enumeration and evaluation of all fossil fuel related tax expenditures, as well as a recommendation by the Governor regarding the continuation, modification or repeal of such expenditures. The Report would be made in consultation with the State’s Energy Planning Board, whose members include representatives of New York State Energy Research and Development Authority, Public Service Commission, Empire State Development, the Departments of Environmental Conservation, Agriculture and Markets, Health, Labor, and Transportation as well as Legislative appointees and others.
The hope is that this bill would shine a light on and potentially halt tax breaks, credits and refunds for the use of dirty fossil fuels, systematically ending how New York currently finances the degradation of our own air quality and the disruption of the global climate. Wiping the slate clean of entitlements that prop up those that continue to despoil the planet is a more than reasonable first step towards climate justice.

The Sierra Club Urges your support of S 2649-C / A 257-C to ensure the state’s financial policies are not undermining our legally binding climate obligations.