Memorandum of Support

April 29, 2021

S.2721 (Krueger)/A.225 (Cahill)

Summary: 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: In 2019, 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 electricity from zero emission 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.

In order to achieve our renewable energy targets, New York must help fund the transition from fossil fuels to wind, solar, and geothermal power. With looming $15 Billion-dollar-a-year deficits, over the next few years, as a result of the pandemic, it appears that the state will have to do a lot of belt tightening to address annual budget gaps until we make a full recovery. 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’s FY 2020 Tax Expenditure Report, total fossil fuel related tax exemptions added up to approximately $1,632,800,000. This is money the state is unnecessarily spending to the benefit of those that endanger public health and thwart our climate goals. S.2721/A.225 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.

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 necessary and reasonable first step towards climate justice.

The Sierra Club Atlantic Chapter Strongly Urges Your Support of S.2721/A.225