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THE LEAGUE
OF WOMEN VOTERS
of New York State

MEMORANDUM IN OPPOSITION TO:

A.1826-D (Cusick), S.6808 (Golden), and S.4099-A (Golden)

To: New York State Assembly and New York State Senate

Date: June 11, 2014

Subject: An act to amend the tax law and the education law, in relation to enacting the "education investment tax credit act"

The League opposes the Education Investment Tax Credit because we strongly believe that public revenue should go to public education and should be allocated in a transparent and democratic manner. These bills divert hundreds of millions of dollars away from public schools. Furthermore, tax policy as a means of encouraging giving for educational purposes should be limited to the availability of charitable **deductions, not tax credits.**

In light of the Legislature's ongoing failure to fulfill the Campaign for Fiscal Equity lawsuit's aims, the League of Women Voters of New York State (the "League") supports the direction of taxpayer dollars primarily toward students attending public schools in high-needs school districts. These bills, however, mandate that half of the amount appropriated shall be earmarked (with a carryover provision for unused allocations) for private schools. Other state courts have overruled and struck down similar provisions, including tax credits for donations to scholarship funds for students in private schools.

This initiative favors taxpayers who desire to support private and public schools of their choice, through a first-come, first-serve process with no restriction on geographic distribution or the target institution's need. In the first three years alone, it uses, at a minimum, \$675 million of state revenue, which we believe should instead be allocated through a democratic legislative process. Although it encourages additional resource allocation to students in PreK-12 education, it thwarts the Legislature's collective decision-making as exercised through the budget negotiation process and transfers the power to target public tax dollars for education to individuals, corporations, and partnerships. **These bills unfairly advantage those who are poised to file early for the valuable tax credits, letting millions of education dollars flow to schools solely of their choosing.**

The League of Women Voters of New York State strongly urges your opposition to A.1826-D, S.6808, and S.4099-A.