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**THE LEAGUE  
OF WOMEN VOTERS**  
*of New York State*

**MEMORANDUM IN OPPOSITION TO:**

**A.1826C Cusick (no same-as)**

**S.4099A Golden (no same-as)**

**To: New York State Assembly and New York State Senate**

**Date: March 5, 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 believes that these bills are inconsistent with our position in favor of progressive taxation as a means of financing public education because the taxpayer dollars allocated for tax credits in the bills could be more efficiently used. Tax policy as a means of encouraging giving for educational purposes should be limited to the availability of charitable **deductions, not tax credits.**

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. It uses, at a minimum, \$300 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.

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. In our testimony the past two years, we warned that the proliferation of education foundations would mask and distort resource allocation to educational

institutions, and further skew resources toward the wealthier districts. We believe that these bills create even more accountability issues, because the impact of these credits would be disregarded for purposes of calculating state aid. While the League agrees with the bill sponsors that “charitable giving for educational purposes should be stimulated,” this bill unfairly advantages those who are poised to file early for the valuable tax credits.

**The League of Women Voters of New York State strongly urges your opposition to A.1826C and S.4099A.**