



## Legislation Text

**File #:** Res 1070-1999, **Version:** \*

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Res. No. 1070

Resolution calling upon the State Legislature and Governor to amend the State Tax Law to allow the City of New York to make its local portion of the permanent Sales and Compensating Use Tax Clothing and Footwear Exemption effective on December 1, 1999 rather than on March 1, 2000.

By the Speaker (Council Member Vallone) and Council Members Berman, Clarke, Dear, Malave-Dilan, Fisher, Foster, Harrison, Henry, Koslowitz; also Council Members Lasher, Leffler, Michels, Nelson, O'Donovan, Perkins, Pinkett, Provenzano, Quinn, Reed, Rivera, Sabini, Warden, Watkins, Public Advocate (Mr. Green), Abel, Fiala, Golden and Oddo.

Whereas, The Governor and State Legislature originally agreed to amend the State Tax Law to exempt clothing and footwear purchases and uses of less than \$110 per item from the state-level sales and use tax to be effective December 1, 1999, as well as to allow counties and cities having a local sales tax to do the same as of this date; and  
Whereas, Pursuant to this authorization under subdivision (k) of Section 1210 of the State Tax Law, the Council adopted Preconsidered Resolution No. 828, to permanently exempt from the City's 4% sales and use tax such items of clothing and made this resolution effective as of December 1, 1999; and

Whereas, Subsequently, on August 9, 1999, the Governor and State Legislature again amended the State Tax Law to delay the effective date of the permanent exemption of the state-level sales and use tax, as well as the earliest date that counties and cities could choose to eliminate their local sales and use taxes, until March 1, 2000; and

Whereas, This delay in the permanent sales and use tax exemption was enacted in spite of the fact that the State budget for FY 2000 set aside a surplus of \$1.82 billion; and

Whereas, It was, and is, the Council's desire that the sales and use tax exemption be effective during this holiday season so that all New Yorkers can enjoy a "sales tax-free" holiday shopping season as far as certain clothing and footwear items are concerned, and so that local businesses can be spared another holiday season in which customers are lost to neighboring states; and

Whereas, This tax, the earlier elimination of which would result in \$51 million in savings to New Yorkers, is a regressive tax which falls most heavily on low and middle income New Yorkers; and

Whereas, Even though the government of the State of New York may desire to maintain its portion of the sales and use tax through yet another holiday season, there is no reason for it to prevent the city of New York - which has prudently budgeted for this tax relief -- from eliminating its portion of such tax effective December 1, 1999; and

Whereas, Nothing herein shall be construed as amending, repealing or affecting Resolution No. 828, or altering the Council's intent -- expressed in such Resolution as well as by the Council's decision neither to amend nor repeal such Resolution -- that the City's local sales and use tax exemption become effective on the earliest date allowed pursuant to the State Tax Law; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature and Governor to amend the State Tax Law to allow the City of New York to make its local portion of the permanent Sales and Compensating Use Tax Clothing and Footwear Exemption effective on December 1, 1999 rather than on March 1, 2000.

Adopted