



De Blasio's "Tax the Rich" Plan May Stall in Albany

New York Mayor Bill de Blasio will have difficulty in securing the required state approval for his five-year plan to increase the city income tax on residents earning more than \$500,000 to finance universal early-childhood education.

Bloomberg News reported that de Blasio's proposal would raise taxes on income above \$500,000 earned in New York City from almost 3.9 percent to 4.4 percent. The increase is estimated to generate \$530 million over a five-year period. The average increase would be \$973 a year, according to the city's Independent Budget Office.



"That's less than three bucks a day — about the cost of a small soy latte at your local Starbucks," said de Blasio about the tax increase during his January 1 inaugural address. "We do not ask more of the wealthy to punish success; we do it to create more success stories."

During his campaign and in his inaugural address, de Blasio repeatedly referred to Charles Dickens' *A Tale of Two Cities*, a novel about the French nobility's abuse of peasants and the revolution that followed. "When I said we would take dead aim at the *Tale of Two Cities*, I meant it," he said at his inauguration. "And we will do it. I will honor the faith and trust you have placed in me. And we will give life to the hope of so many in our city. We will succeed as one city. We know this won't be easy. It will require all that we can muster."

During his <u>January 1 address</u>, he held to an unsurprisingly "progressive" tone: "We are called to put an end to economic and social inequalities that threaten to unravel the city we love. And so today, we commit to a new progressive direction in New York."

The "progressive" (today's favored term for *socialist*) plans outlined in his speech included:

- The above-mentioned more taxes for preschool plan: "We will ask the very wealthy to pay a little more in taxes so that we can offer full-day universal pre-K and after-school programs for every middle school student."
- An attack on free-market economics: "Of course, I know that our progressive vision isn't universally shared. Some on the far right continue to preach the virtue of trickle-down economics. They believe that the way to move forward is to give more to the most fortunate, and that somehow the benefits will work their way down to everyone else. They sell their approach as the path of 'rugged individualism.' "
- More public housing, apparently oblivious to the social disaster that has been the hallmark of crimeridden public housing in New York, as well as the concept of private enterprise: "We will require big developers to build more affordable housing."

De Blasio was sworn in by former President Bill Clinton and paid tribute to apparent personal role models, such as former New York Mayor Fiorello La Guardia, "who enacted the New Deal here on the



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city level, battled the excesses of Wall Street, and championed a progressive income tax." (A heavy progressive graduated income tax was the second plank of the *Communist Manifesto*. Plank 10 called for free education for all children in public schools, which has now been expanded beyond Marx's vision to include programs such as de Blasio's proposed full-day universal pre-K and after-school programs.)

Scott Reig, a spokesman for Dean Skelos (R-Nassau County), the temporary president and co-leader of New York State Senate's Majority coalition, was quoted by Bloomberg news as making clear that though Republicans are supportive of de Blasio's school proposal, they don't want to be accused of raising taxes: "We have said we're supportive of universal pre-K; the question is, how do you pay for it?"

Though Skelos was elected with the support of the Conservative Party of New York State, his concerns about de Blasio's plan are obviously purely fiscal, and do not question the city government's increasing role as a replacement for parental responsibilities or the efficacy of the plans, even though the Head Start program has been shown to be a total failure, as Andrew Coulson made clear in a summary in the *New York Post* about the findings of a U.S. Department of Health and Human Services study on the subject:

In fact, not a single one of the 114 tests administered to first graders — of academics, socioemotional development, health care/health status and parenting practice — showed a reliable, statistically significant effect from participating in Head Start.

Skelos' position echoes the sentiments of Governor Andrew Cuomo, a Democrat, who also supports universal pre-K programs but hesitates to raise taxes to finance such a program in an election year. Despite the fact that support in Albany for a tax increase appears shaky, at best, de Blasio does not want to wait to send his tax plan to Albany. He said during a January 2 press briefing in Manhattan:

I've been very clear about this — this is a five-year plan. It has to be sustained. We need all of the resources that we've asked for in order to sustain it, and the only way to do that is with a very specific and dedicated tax on those who make a half-million or more. That's our mission, and we're committed to it.

Boston Herald columnist Michael Graham wrote a column about de Blasio on January 3, apparently because he fears the New York mayor's schemes might spread and take root in Boston. He wrote:

New York's new mayor is an old-school liberal — and proud of it. Instead of reluctantly talking about higher taxes, he openly cheers them. He's not defensive about calling for a "wealth" tax on families earning \$500,000 or more — he's *bragging* about it.

De Blasio wants huge increases in mandatory wages, starting with city-subsidized projects and prekindergarten for everyone.

Does it matter that higher wages for low-skill workers means fewer workers and more automation? Or that repeated studies show government programs like Head Start have no lasting impact on student performance? None?

Not to de Blasio. He's a liberal first and a leader second. Which is why New York City's best and brightest are looking at life in Chris Christie's New Jersey. (Emphasis in original.)

New Jersey residents working in New York City pay New York State income tax but not the city income tax.

Another one of de Blasio's proposals goes beyond typical "progressive" policy. It falls under a category named in a <u>Daily Beast</u> (a <u>Newsweek</u> website) headline: "Mayor De Blasio's Horse Policy Is a Pile of



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Manure."

The policy in question, to quote the mayor, is to make it among his highest priorities "to quickly and aggressively move to make horse carriages no longer a part of the landscape in New York City."

Even Andrew Rosenthal of the liberal *New York Times* (which endorsed de Blasio) wrote that the new mayor "has a problem prioritizing.... What makes him think this subject is important enough to occupy his first days in office?"

De Blasio apparently believes that the horse-drawn carriages "are not humane" and "are not appropriate for the year 2014." He announced, "It's over."

As a writer for <u>CBS News</u> observed on January 3: "For generations of tourists, and even some residents, taking a ride on a horse-drawn carriage through Central Park has been a key part of their New York City experience, along with watching a Broadway show and ice skating in Rockefeller Center."

The iconic carriages have appeared in scores of motion pictures, and a carriage ride through Central Park has become as symbolic of a romantic visit to New York as a similar ride down the Avenue des Champs-Élysées in Paris or a gondola ride through the canals of Venice.

However, observed the *Daily Beast's* writer: "If there's one upside to de Blasio's Caligulan first action as mayor, it's that it will forestall the rest of his agenda for a few days or even weeks (here's hoping)."

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