



**Housing Works Testimony**  
**Submitted to NYS Senate Finance & Assembly Ways & Means Committees**  
**Joint Legislative Budget Hearing on Taxes and Revenue**  
**February 27th, 2025**

Thank you for the opportunity to present written testimony to the Joint Budget Hearing on Taxes and Revenue on behalf of Housing Works, a healing community of people living with and affected by HIV/AIDS. Founded in 1990, Housing Works now provides a range of integrated services for over 15,000 low-income New Yorkers annually, with a focus on the most vulnerable and underserved—those facing the challenges of homelessness, HIV/AIDS, mental health issues, substance use disorder, other chronic conditions, incarceration, and, most recently, migrants displaced from their homes due to violence or other crises who seek safety and a better life in the United States. In 2019, Housing Works and Bailey House merged, creating one of the largest HIV service organizations in the country. Our comprehensive prevention and care services range from medical and behavioral health care to housing, to job training. Our mission is to end the dual crises of homelessness and AIDS through relentless advocacy, the provision of life-saving services, and entrepreneurial businesses that sustain our efforts.

As a state, we have not fully unlocked the potential of all people and corrected economic injustices harming low-income and communities of color. Understanding and addressing deeply rooted inequities in wealth and health is critical to building an inclusive and strong economy. New York State can have a vision for this budget cycle that enables investments that provide quality government services, infrastructure, and non-profit contracted community services while maintaining the State's long-term fiscal health, reducing racial disparities among New Yorkers, and advancing equitable outcomes for all New Yorkers.

Importantly, the 2025-26 fiscal year budget also provides a critical opportunity to get ahead of impending federal funding cuts that will significantly impact New York and address our state's growing affordability crisis. As we've seen, the Trump administration and Republican majority are planning to cut \$2 to \$5 trillion from critical programs to pay for even more tax cuts for the super-rich and highly profitable corporations – programs like Medicaid, SNAP benefits, support for students with disabilities, and more. These programs are a matter of life and death for the vulnerable New Yorkers that Housing Works serves—critical funding that New York communities rely on, and choosing not to address the funding gap – in whole or in part – is unconscionable. Fortunately, there is a common sense, popular way to make deep, long-term, sustainable investments in the public programs and services millions of New Yorkers rely on: making the ultra-rich and most profitable corporations pay what they owe in taxes.

The working class and low-income New Yorkers are saddled with rising costs for housing, healthcare, groceries, utilities, and more. We have one of the lowest vacancy rates in New York City, ensuring that rental costs are higher than ever. The average rent for an apartment in New York City is over \$4,000. Meanwhile, New York's millionaire and billionaire class keep growing. A new Americans for Tax Fairness analysis shows that New York now has 128 billionaires with over 780 billion dollars in wealth, and their wealth has soared by 74% since the Trump tax cuts went into effect in 2017. Another study found that 1 in 24 people living in New York City alone are millionaires. At the same time, over 2.78 million New Yorkers (14.2% of the state's population) live in poverty. According to a January 2025 report from Comptroller DiNapoli, homelessness in our state doubled between January 2022 and January 2024. There are more than 158,000 people who are homeless in our state, a third of whom are children.

Affordability was the biggest issue for voters at the ballot box this past November, and New Yorkers are demanding more from their elected representatives not just in Washington D.C. but right here in Albany. Voters are asking more from Hochul and state lawmakers to take meaningful steps toward addressing New York's escalating affordability crisis. We deserve better than being urged to blame our federal representatives and simply cope with significant cuts to Medicaid, early childhood education, SNAP benefits, and more. Unrigging the New York State tax code is long overdue, and it will provide critical funding to translate promises of affordable housing, universal free childcare, dignified wages, and dependable health care into a reality for all New Yorkers, not just the elite.

**New York State can address affordability and inequality by taxing the rich and investing in the needs of working-class and lower-income communities:**

Housing Works, on behalf of the low-income and marginalized New Yorkers we represent, supports the [Invest in Our New York package](#) which, if passed, would raise tens of billions of dollars through a combination of personal income tax increases on the top 5% of earners, corporate tax reforms targeting the most profitable corporations (fewer than the top 1%), and addressing loopholes that allow millionaires and billionaires to shield their wealth from their tax liability. The Invest in Our New York package includes the following proposals:

- The Progressive Income Tax Bill ([S1622-Jackson/A1281-Meeks](#)) would raise over \$21 billion annually by creating new brackets to the state's personal income tax structure. The bill would raise taxes on individuals earning over \$450,000 a year as single filers and \$500,000 as joint filers and would only impact our state's top 5% of income earners.
- The Capital Gains Bill ([S1439-Rivera/A676-Kim](#)) would raise over \$12 billion annually by creating a surcharge tax on income generated by buying and selling stocks. The tax would only apply to people who earn over \$400,000 as single filers and \$500,000 as joint filers. Currently, people who earn their income through buying and selling stocks have a federal tax

benefit of up to 17%, meaning they pay far less in taxes than those who earn their income through hourly wages or other ordinary income. This bill would only raise taxes on less than 1% of New Yorkers. Washington State and Minnesota have successfully passed and implemented capital gains taxes in the last few years.

- Corporate Tax Reforms ([S953-Hoylman/A1971-Kelles, Shrestha](#)) would raise over \$7 billion annually by raising the corporate tax rates on corporations that make over \$2.5 million in profits in New York and creating additional progressive brackets for corporations earning over \$10 million in profit annually, and \$20 million in profit annually. These corporate tax reforms would apply to every corporation that does business in New York - not just those headquartered in the state. The changes in the bill would not kick in until corporate profits exceed \$2.5 million and not impact small businesses. Eighty percent of corporations in New York make less than \$15,000 in profits annually and pay less than \$1,000 in corporate taxes every year. As of 2020, fewer than 0.14% of corporations reached \$1 million in profits. We can raise taxes on the wealthiest corporations and remain competitive: New York currently has the 2nd lowest tax rate amongst the 12th northeastern states, and our current corporate tax rates are lower than they were in 1990.
- The Heirs Tax ([S914-Brisport/A2049-Solages](#)) would raise \$4 billion annually by replacing New York's existing estate tax by creating a tax that treats inherited income over \$250,000 as taxable income. The creation of this tax would impact less than 1% of inheritances - and those above \$250,000 would only be taxed at a low rate of 2.5%. The rate would increase for inheritances over \$1,000,000, which already wealthy individuals almost entirely receive.
- The Billionaires Tax ([S165-Ramos/A3632-Kelles](#)) would raise over \$20 billion in its first year and \$1.5 billion annually thereafter by creating a tax that targets the rising value of stocks and investment portfolios. This proposal creates a yearly tax on assets that have accumulated value, requiring billionaires to pay income tax rates on their investment gains. New York already has a system for assessing and taxing the increased value of items in the form of a property tax.

**These commonsense proposals to make the super-rich and big corporations pay what they owe in taxes are supported by the majority of New Yorkers:**

According to a [December 2023 Siena College Research Institute Poll](#) 74% of New Yorkers believe lawmakers should increase taxes on our state's wealthiest residents and highly profitable corporations to fund programs and services. And this support transcends party lines: 83% of Democrats, 73% of independents, and 58% of Republicans all support making the ultra-rich pay what they owe so we can invest in our New York. The same percentage of New Yorkers believe we should increase taxes on the highest-earning individuals and profitable corporations instead of cutting services to address any budget shortfall. And 73% of New Yorkers want that revenue spent

on the programs they care about the most, like affordable housing— NOT sports stadiums and racetracks.

Likewise, According to an [August 2024 Data for Progress Poll](#), 80% of New Yorkers support taxing wealthy corporations and increasing taxes on the wealthiest households, including households that make more than \$400,000 a year, and 61% also support undoing the 2017 Tax Cut and Jobs Act corporate tax cuts.

Significantly, a majority of New Yorkers, 64%, and 79% of Democrats across the state, say they would be more likely to support a legislator who voted for higher taxes on corporations and individuals instead of cutting services. Sixty-eight percent of Democrats and 63% of independents would rather vote for candidates who favor increasing taxes on corporate profits than a candidate who favors tax breaks for highly profitable corporations.

### **Governor Hochul’s Executive Budget proposals are shortsighted and do little to address the affordability crisis:**

Governor Hochul proposes extending the personal income tax rate on the highest income earners until 2032, initially set to expire on December 31, 2027. There is also a proposal to drop the tax rate at the \$2.1 million bracket from 9.65% to 8.82% in 2033. This even though over the past seven years, New York’s billionaires got \$331.8 billion richer. With federal GOP lawmakers eager to cut taxes again for the ultra-rich, Governor Hochul’s mere extension is not enough.

Permanently adding ten new brackets to New York’s income tax structure ensures the top 5% of earners pay their fair share. This proposal would generate \$21 billion in new public funds every year that lawmakers can rely on to fund universal childcare, long-term health care, and more. With federal funding cuts likely, Governor Hochul and Legislative leadership must do everything they can to make New York affordable for everyone, not just the super-rich.

Governor Hochul proposes a 0.2% tax cut on the first five personal income tax brackets for people making up to \$323,000 (joint filers). This will cost at least \$1 billion a year. This proposed “middle-class” tax cuts primarily benefit high earners and do not go far enough to address New York’s affordability crisis. A \$100 to \$600 tax reduction won’t make New York more affordable for working-class people. But fully funding programs like universal childcare will help families save tens of thousands of dollars every year.

Governor Hochul’s proposed one-time rebate check for 8 million New Yorkers: \$300 for single filers under \$150,000 and \$500 for joint filers under \$300,000, is particularly short-sited, and will cost \$3 billion. Such expensive, one-off policies are ineffective at addressing the structural affordability crisis millions of New Yorkers face every day. That \$3 billion would go a long way in closing the MTA funding gap, keeping public hospitals afloat, building affordable housing,

addressing our mental health and opioid crises, or building climate-resilient public infrastructure. Senate and Assembly leadership must reject Governor Hochul's campaign stunt and demand more thoughtful community investments to benefit all New Yorkers.

**Study after study has shown that increased taxes do not result in high-income earners leaving our state:**

More than three-quarters of the highest income earners (people making more than \$815,000 a year) who left the state during the pandemic moved to other high-tax states including Connecticut, New Jersey and California. During her 2024 State of the State address, Governor Hochul even acknowledged that increased taxes have not resulted in more outmigration.<sup>1</sup> In fact, data, the people who left New York at the highest rate in 2022 were families making between \$32,000 and \$65,000 a year. A disproportionate number of those movers were Black and Latino/Hispanic families. The data show that New York's top 1% of income earners move out of state less than all other income groups. In fact, it was the only income group with no overall net outmigration in 2023

**Investments from taxing the ultra-rich could pay for:**

- **Addressing our historic housing crisis:** This includes the humanitarian crisis of people currently homeless or at risk of becoming homeless. There are over a hundred thousand people who are homeless in our state, and more than half of New Yorkers are unable to afford rent. It is time to invest toward housing those experiencing homelessness; ensuring tenants can stay in their homes; and building and preserving housing.
- **Addressing our mental health crisis:** Mental health challenges and toxic post-traumatic situations disproportionately affect young people, Black and Hispanic/Latino communities, currently residing and newly arriving immigrants, people with low incomes, seniors, LGBTQAI+ New Yorkers, women, and those experiencing food insecurity and food insufficiency. Proposals to increase involuntary commitment based on the inability to meet basic needs are not the answer. We need comprehensive solutions that offer real help and new opportunities for New Yorkers struggling with elevated rates of depression, anxiety, and serious and persistent mental health issues. Such programs to address the issue are underfunded from the perspective of the average taxpayer.
- **Improving the childcare workforce:** Childcare workers and most care workers are both low-paid and disproportionately female: in 2022, 83 percent of care workers in New York City were women who had median wages of \$18/hour. This is far below the overall median for full-time women workers in the city of \$26.00/hour, which itself is below that for full-

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<sup>1</sup> On January 9th, 2024, during her State of the State address Governor Hochul said: "For 50 years, we've been hemorrhaging families who can no longer afford to raise their children in the same communities where they were born. This decline shows no sign of stopping. People aren't moving for warmer weather or lower taxes. They're moving next door."

time male workers, at a median of \$28.80/hour. Women's income still lags behind the earnings of men. Investing directly in the childcare workforce with revenue from the ultra-wealthy would not only transform the lives of more than seventeen thousand educators but would also enable thousands of families and parents to go back to work themselves. NYS loses approximately \$9.8 billion a year in productivity costs because of a lack of childcare options for families.

- **Ending our HIV, hepatitis C, and opioid crises:** Housing Works is part of the **End AIDS NY Community Coalition (EtE Coalition)**, a group of over 90 health care centers, hospitals, and community-based organizations across the State who are fully committed to realizing the goals of our historic New York State Blueprint for Ending the Epidemic (EtE)—a set of concrete, evidence-based recommendations for ending AIDS as an epidemic in all New York communities and populations. Housing Works is a founding member of the **Harm Reduction Coalition of New York State (NYSHRA)**, which is an association of drug treatment providers, prevention programs, people who use drugs and their family members, committed to addressing racism in systems addressing substance use, and incorporating validated harm reduction approaches within prevention and treatment. Housing Works CEO Charles King is also a proud member of the **New York State Hepatitis C Elimination Task Force**. While we continue to make progress towards ending New York's HIV epidemic, the impact of the unprecedented COVID-19 pandemic impacted our headway on the State's longstanding HIV, hepatitis C (HCV), and overdose crises, and hindered our efforts to address the stark and persistent health inequities experienced by the most vulnerable New Yorkers. We appreciate Governor Hochul's continued funding for core EtE activities in her Executive Budget proposal, and her recognition of the need to embrace a public health approach to substance use disorder and overdose deaths. However, this year's Executive Budget again fails to include critical, evidence-based, and cost-effective investments to achieve HIV health equity and stop our HCV and overdose crises. The Governor's budget again misses the opportunity to end homelessness among people with HIV statewide, fails once more to support evidence-based overdose prevention centers, and falls far short of the proven investments required to eliminate hepatitis C (HCV) and to meaningfully address the persistent health inequities faced by New Yorkers due to low income, immigration status, chronic conditions, or other forms of marginalization. The EtE Community Coalition *FY26 NYS Budget and Policy Priorities* attached to this testimony outline critical investments to address these public health crises that could be funded with increased revenue from New York's most wealthy residents.

We point out just a few investments that can benefit from a fairer shared tax from the wealthy, but many more services and opportunities can be supported by the Invest in Our New York proposals. Our challenges have grown and taxing the super-rich and big corporations is the door out of today's overlapping crises of reduced revenue, debt, and unmet and escalating social and economic needs of poor New Yorkers, especially marginalized communities.

**Conclusion:**

Voters are asking more from Hochul and state lawmakers to take meaningful steps toward addressing New York's escalating affordability crisis. New York lawmakers have an opportunity to show the nation what it means to listen to, and prioritize the needs of, the people they represent, and to not simply bury our heads in the sand while the federal government slashes funding for Medicaid, early childhood education, SNAP benefits, and more. The Senate and the Assembly must put forward one-house budgets that include proposals to raise the needed resources to make deep, lasting investments in the lives of working-class New Yorkers.

Respectfully,  
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Attachment:

- End AIDS NY Community Coalition *Fiscal Year 2026 Budget and Policy Priorities*