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CUOMO REDIRECTS SALES TAX REVENUE FROM TOWNS AND SCHOOLS TO CLOSE NEW YORK STATE BUDGET GAP *Badly needed sales tax revenue meant for cities, villages, towns, and school districts taken from municipalities and given to New York State*

(ERIE COUNTY, NY) – Erie County Comptroller Stefan Mychajliw is warning town supervisors, mayors, and school superintendents of serious shortfalls in sales tax revenue after Governor Cuomo and New York State lawmakers, including many who represent the towns and villages across Erie County, voted to redirect that revenue from communities and give the money to New York State.

“Forced COVID closures crippled the economy and hurt struggling cities, towns, villages and school districts. Governor Cuomo and state lawmakers plunged the knife even deeper into our communities by taking their sales tax revenue. Keep in mind, Governor Cuomo created a \$6 billion deficit before the Coronavirus crisis. Now the Governor and local lawmakers use the pandemic as an excuse to raid money intended for our communities to make up for their fiscal recklessness. Shame on local representatives that threw their own municipalities under the bus,” said Erie County Comptroller Stefan I. Mychajliw.

At issue is funding for the so-called Distressed Provider Assistance Account. In the past, New York State always funded this program through the state’s general fund. But state legislators and Governor Cuomo approved plans to fund a program that intercepts sales tax dollars meant for municipalities and school districts and place those collections in a fund that aids financially distressed hospitals and nursing homes throughout New York State.

The \$50 million in sales tax collections the state now plans to withhold from counties would historically be shared with local communities.

“Mayors, Supervisors, Town Boards, and School Districts should contact state representatives. They need to know our communities must not be punished for Governor Cuomo’s fiscal mismanagement. This will further devastate families and our communities,” said Comptroller Mychajliw.

New York State’s confiscation of sales tax revenue will be implemented with February sales tax distribution. It will negatively impact sales revenue tax Erie County distributes at the end of March 2021.

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