Keep NYC Congestion Tax Free

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STATE COMPTROLLER REPORTS \$5.5 BILLION IN EXCESS REVENUE; CIVIC/BUSINESS GROUP KNOWS THE SMARTEST WAY TO SPEND IT

New York-May 20...New York State Comptroller Thomas P. DiNapoli reported <u>last week</u> that the State has approximately \$5.5 billion in excess revenue — plus billions in federal Covid recovery dollars — with no specific plans to spend it. A New York City civic and business organization, Keep NYC Congestion Tax Free, has what it believes to be the smartest use of those dollars: put it into transit infrastructure and cancel plans to add a Congestion Pricing Tax paywall in Manhattan.

The group argues that a paywall to travel by car south of 60th Street in Manhattan will do what all paywalls do: discourage entry. But in this case, the group says, discouraging entry into New York City's core business districts would be totally counterproductive, as the City and State are desperately trying to *encourage* people to return to those districts.

Both Comptroller DiNapoli and Mayor Eric Adams raised red flags recently warning that tax revenue from those core business districts will be substantially diminished for years to come because of workplace changes spurred by Covid-19. And a movement is growing in New Jersey to move businesses there to avoid the coming paywall.

"Why on earth are we putting up a paywall to enter the exact areas of the city we're desperately trying to revive?," said Keep NYC Congestion Tax Free spokesman Joshua Bienstock. "Common sense suggests that excess dollars be used on capital — rather than operational — projects, and that would eliminate a chief rationale for the Congestion Pricing Tax. Moving forward with a congestion pricing paywall now would be a classic example of cutting off one's nose despite one's face. New York leaders really need to re-think this."

In addition to hurting low- and middle-income New Yorkers living in transit deserts most, the group says, this regressive tax would massively increase traffic north of 60th Street in Manhattan and in the outer boroughs, and redirect carbon-belching trucks into communities of color.

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<u>Keep NYC Congestion Tax Free</u> represents a diverse coalition of civic, business, and labor organizations and businesses throughout New York City. We share a simple vision: to keep our city congestion tax free.