



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

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**IBO's New Edition of *Budget Options for New York City:*
92 Ways to Cut City Costs or Raise Revenue**

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Today, the New York City Independent Budget Office released the 13th annual edition of *Budget Options for New York City*. This new edition includes more than 90 ways to reduce city spending or raise revenues. As in past volumes, IBO looks impartially at the pros and cons of each option considered. Inclusion of an option in the volume does not imply a recommendation, nor does omission of an idea mean that IBO does not consider it viable.

"While the Bloomberg Administration's recent budget plan presents a balanced budget for the upcoming fiscal year, Mayor-elect de Blasio and the incoming City Council face no shortage of fiscal challenges—from expired labor contracts to cutbacks in federal aid. And even in the best of times, the ongoing consideration of budget options is essential to ensure that tax dollars are raised fairly and efficiently and that funds are spent effectively," said IBO Director Ronnie Lowenstein.

Although IBO's budget options volume has been published annually since the first report in 2002, this edition comes just six months after the last volume. We are releasing it now to put the volume on a new schedule, one that we hope will make the publication more useful throughout the process of crafting each year's budget. It will also provide elected officials and the public with our most up-to-date estimates of potential savings or revenue from each of the options as the annual budget process gets underway.

Despite the accelerated schedule, this latest edition includes 12 new options. Savings through changes in service provision and labor rules (and their first year impact on city spending):

- Eliminate City Paid Union Release Time (\$23 million)
- Make New City Workers Eligible for Pay on Holidays Only After 90 Days of Employment (\$11 million)
- Require All New Education Department Staff to Meet Same Residency Requirements and Tax Rules as Other City Workers (\$3 million)
- Share One Parent Coordinator and General Secretary Among Co-located Schools (\$50 million)

New options for raising revenue (and their first year impact on city funding):

- Create a New Real Property Transfer Tax Bracket for High-Value Residential Properties (\$34 million)
- Eliminate Commercial Rent Tax Exemptions for Retail Tenants in Lower Manhattan (\$3 million)
- Eliminate Special Tax Treatment on the Sale of Properties to Real Estate Investment Trusts (\$8 million)
- Eliminate 421-a Benefits for Coop and Condo Apartments Not Used as Primary Residence (\$10 million)
- Eliminate School Bus Operation Deduction (\$1 million)
- Freeze Phase-In of Single Sales Factor as Basis for Taxing Businesses at 2013 Allocation Percentages (\$322 million)
- Increase Alcohol Tax Rates and Broaden the Tax Base to Include Wine (\$49 million)
- Raise the City's Passenger Vehicle Use Tax and Charge More for Heavier Vehicles (\$34 million)

The ideas for budget options come from a variety of sources. A number of options originate from requests from public officials, advocates, and others for an objective analysis of an idea's potential to cut costs or raise revenue for the city. Some options have been discussed publicly for years and others are generated from our own staff.

Many of the options that are repeated in this volume from prior years have been updated. Once again, IBO does not recommend any of the options—either new or from previous years. Our role is to analyze, not endorse

Budget Options for New York City is available on IBO's Web site at <http://bit.ly/1gEjbXt>. A free, printed copy of the report can be obtained by calling 212-442-0623.