

March 21, 2025

Honorable Kathy Hochul, Governor of New York State
Honorable Andrea Stewart-Cousins, Majority Leader of the New York State Senate
Honorable Carl E. Heastie, Speaker of the New York State Assembly
New York State Senators
New York State Assemblymembers

New York State Capitol
Albany, New York 12224

INRE: Stop Climate Polluter Handouts (S3606A/A3675A-Krueger/Simon)| \$350MM in Annual Revenue

Dear Governor Hochul, Majority Leader Stewart-Cousins, Speaker Heastie, New York State Senators, and New York State Assemblymembers:

Thank you for your many bold, decisive actions to lead New York toward a carbon-free future. We, the undersigned organizations, urge you to continue working toward a strong New York State's climate agenda by eliminating certain tax breaks and subsidies that New York State provides to the fossil fuel industry.

Climate science identifies that greenhouse gas (GHG) emissions from fossil fuels drive the climate crisis, pollute communities and create destruction; meanwhile that industry reaps unprecedented profits (1). Over the past few years, while global temperatures have broken records, so have profits among the West's largest privately held oil companies (2).

The Stop Climate Polluter Handouts Act builds on the foundation of the Climate Change Superfund Act: as law, New York State acknowledged that the fossil fuel industry plays a driving role in the climate crisis and should pay for climate-related damage repairs and resilience programs; therefore the logical next step must be to end the indefensible taxpayer subsidies to them.

New York financially incentivizes fossil fuels, exempting the industry from over \$1.8 billion annually in Sales & Use Tax and Petroleum Business Tax. These exemptions are outdated for a thriving industry who has wielded its influence to maintain these tax breaks and increase profits. ***The Stop Climate Polluter Handouts Act amends the tax code to remove \$350 million in tax handouts to the fossil fuel industry***, pinpointing incentives for the highest-polluting fuels including butane, ethane, low-grade shipping "bunker" fuel, the operation of fracked gas infrastructure, and more. **The Act preserves tax breaks that benefit regular New Yorkers.**

With our state experiencing an affordability crisis and a simultaneous multi-billion dollar budget deficit due to Trump cuts, it is time to rethink these handouts. Repealing fossil fuel industry tax subsidies will help close the budget gap and provide revenue to pay for priorities with real public benefit. *The fact is, these tax giveaways to Big Oil would never be passed today, so they should not remain on the books. Here's why we believe this should be in the budget:*

- 1. To Tackle Affordability and Add Revenue for Public Benefit Uses/ Restore Trump Cuts.** Repealing these handouts will raise \$350 million in annual State revenue which could provide funding for public benefit use and/or help close the gap in funding created by Trump cuts.
- 2. To Avoid Double Hit to Taxpayers and Address Affordability.** In the past year, NYS taxpayers paid \$2.7 billion for climate damage repair and resilience; it's expected to cost hundreds of billions more over the next few decades (5) adding to affordability woes in NY State. On top of paying for oil and gas industry tax breaks, taxpayers will pay to clean up and prepare for climate impacts exceeding that provided in the Climate Change Superfund.

3. To Reach CLCPA Climate Goals. Fossil fuel subsidies are outdated fiscal incentives, are misaligned with the CLCPA, and jeopardize our ability to reach legally mandated targets: a 70% renewable power sector and a 40% reduction in GHG emissions by 2030. To reach CLCPA goals we must stop relying on fossil fuels; a key step is to stop forcing taxpayers to subsidize them.

4. To Align with the State's Acknowledgement of the Fossil Fuel Industry's Culpability for Climate Destruction. As law, the Climate Change Superfund Act acknowledges the fossil fuel industry's driving role in the climate crisis and climate-related damage; it is indefensible for taxpayers to simultaneously subsidize destruction.

5. To Protect People & Communities. Intensifying heat waves, floods, and storms already wreak havoc across the state, with disproportionate impacts on low income areas and communities of color. We must stop incentivizing the polluters that exacerbate environmental injustices.

6. To Stop Inflating Industry Profits. Fossil fuels are one of the most profitable industries in the world, raking in \$3 billion a day with profits that doubled from 2021 to 2022 (4). Taxpayer money should not be used to further inflate industry profits

7. Stop Incentivizing Fossil Fuels: Tax breaks should go to businesses offering public benefits, not to the wealthiest industry that causes mounting harm. Yet global fossil fuel subsidies have surged to \$7 trillion annually, far higher than those for clean energy (3). We thereby give climate polluters the green light to keep up their destructive activity.

On behalf of the more than 70 undersigned organizations across the spectrum of faith-based, youth, environmental, social and environmental justice, civic, science, arts and public health, we urge you to put an end to over \$350 million in tax handouts to the fossil fuel industry by including the elimination of these subsidies in the budget and by supporting the Stop Climate Polluter Handouts Act.

References: (1) US EPA, 2023; (2,3) NYPIRG, 2023; (4) The Guardian, 2022; (5) International Monetary Fund, 2023



Climate, Environment, & Sustainability

350Brooklyn
350NJ-Rockland
350NYC
All Our Energy
Build a Better Planet
Catskill Mountainkeeper
Clean Air Coalition Western NY
Clean & Healthy NY
Climate Can't Wait Coalition
Climate Families NYC
Climate Reality Project NYS Chapters Coalition
ClimateMama
Color Brighton Green
Communities for Local Power
Community Advocates for a Sustainable Environment
Divest NY
Don't Waste New York
Earthkeeper Health Resources
Earthjustice
Fellowship of the Sacred Earth
Fossil Free Tompkins
Green Ossining
Hudson River Sloop Clearwater
Hudson Valley Stream Conservancy
Nassau Hiking & Outdoor Club
Natural Resources Defense Council (NRDC)
NY League of Conservation Voters (NYLCV)
NY Public Interest Research Group (NYPIRG)
NY Renews
New Yorkers for Clean Power
North American Climate, Conservation & Environment
North Country Earth Action (NCEA)
People's Climate Movement - NY
Possible Rochester|Possible Planet
Reinvent Albany
Seneca Lake Guardian
Sierra Club - Atlantic Chapter
South Shore Audubon Society
Stop Cricket Valley Energy
Stop NY Fracked Gas Pipeline
Sustainable Finger Lakes
Sustainable Hudson Valley
Sustainable Warwick
TIAA-Divest!
Tompkins County Climate Protection Initiative
Zero Waste NYC St.

Youth -Led

Fridays for Future- NYC
Sunrise NYC

Social & Environmental Justice

South Bronx Unite
WESPAC Foundation, Inc.

Political Advocacy

Erie County Green Party
Indivisible Harlem
NY Progressive Action Network
NYCD 16/15 Indivisible
Putnam Progressives

Civic & Citizens' Action

Citizen Action of NY
Third Act NYC
Third Act Upstate New York
Westchester for Change

Science & Research

Coastal Research and Education Society of Long Island

Faith-Based & Religious

Albany UU - Green Sanctuary Team
Bronx Jews for Climate Action
Capital Region Interfaith CreationCare Coalition
Church Women United in NYS
Jewish Climate Action Network NYC
NYS Council of Churches
Rivers and Mountains GreenFaith
Sisters of Charity of New York

Arts & Environment

Soon is Now

Public Health

Concerned Health Professionals of NY
Physicians for Social Responsibility - NY
United for Action