

Many taxes, fees in New York not apparent, some hidden

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Tax payments to New York don't end at the personal income tax the state takes from your paycheck. That's only the beginning.

New York dings you almost constantly in the form of hidden taxes and fees — when you pay your cell phone bill, your utility bill, your car insurance, buy tires and even on company provided health insurance. Some fees are out in the open. Buying a tankful of gas? You probably are aware a portion goes to the state in fuel tax — 43 cents a gallon, third highest in the nation. If you're a cigarette smoker, the obvious reason you are paying \$8 is the \$4.75 per pack tax — highest in the nation — tobacco tax. Revenues from those two taxes alone brought in \$1.6 billion last fiscal year, according to [a state accounting](#).

The hidden taxes

Other taxes, however, are well-cloaked. And these taxes and fees lying in the shadows are a constant drain on your wallet.

New York's hidden taxes and charges are collected as added charges from third parties — typically companies you do business with as a consumer.

Those charges are then kicked back to the state to fund government programs and regulatory agencies. Collectively, they could cost a typical New York resident hundreds of dollars per year, and businesses many times more.

"Albany always always goes for off-the-radar-screen type of fees," said Paul Cirba, a Binghamton real estate agent and frequent critic of state policies. "They're insidious. No one knows about them."

Shrouded fees and taxes come on top of personal income tax rates ranging from 4 percent to 8.8 percent depending on income. And it serves to only add to the heavy property tax burden shouldered by New York property owners.

Although property taxes are assessed by local counties, municipalities and school districts — on average New York's are highest in the nation — some of the heavy load is due to state-mandated programs that fall on the shoulders of local taxpayers, local officials have long complained.

Many consumers never know

The pain from the less-than-obvious fees is unyielding.

For instance, tucked in your electric bills are fees to provide incentives for New York's fledgling solar industry and support for aging nuclear plants.

The solar fee is embedded in an item called the "SBC," the "systems benefits charge." Though a fraction of a cent, it is a fee added to the cost of every kilowatt of electricity you consume.

Take a close look at your last utility bill. It's there in the line under "NY state assessment," yet another fee to pay for utility oversight by the Public Service Commission.

Through utility bills, New York is funding its "[Greenhouse Initiative](#)," a program designed to promote sustainable energy sources to the tune of about \$100 million annually.

Add to that a [fee initiated this year](#) to provide support to upstate New York's nuclear power stations. That fee is opaque. The Public Service Commission has ordered it hidden within the supply rate.

By some estimates, support of three upstate power plants will cost ratepayers \$962 million over the next two years, and \$7.6 billion over the 12-year life of the fee — all coming from the pockets of New Yorkers and without the knowledge of many.

"The whole process was to keep the public out of this," said Blair Horner, legislative director of the [New York Public Research Interest Group](#) in Albany. If there had been wide publicity, Horner said, objections would have been thunderous.

Utility fees such as the nuclear plant subsidy have an out-sized impact on the low-income, who already have difficulty paying their monthly electric and gas bills, Horner said.

Average monthly cost of for the added charges on your natural gas and electric bills alone: more than \$5 a month depending on usage.

"It's a very good way for the state not to take blame," said Paul Steidler of the utility industry-backed [New York Affordable Energy Alliance](#). "It's a deceitful way to increase state revenues."

High cell phone fees

Obscure fees are tacked on in other unlikely places.

When you take out or renew a car insurance policy, the state gets \$10 — for every car insured on the policy. For what reason? To pay for New York State Police and Department of Motor Vehicle efforts to fight insurance fraud and crimes.

At 18 percent, New York's surcharge on monthly cell bills is the third-highest in the nation, not far behind Washington and Nebraska of nearly 19 percent, according to figures collected by the Tax Foundation.

In the 2017 fiscal year, New York collected \$359 million from telecommunications excise taxes. On a per capita-basis, the fee amounts for about \$23 for every New York State resident, 18 and older.

Additionally, New York collected \$188 million in fiscal 2017 from a phone bill assessment to help underwrite the state's 911 emergency call personnel and apparatus.

Renting a car? New York collects a tax — \$80 million in proceeds in the past fiscal year. Replacing tires with worn tread. New York collects a recycling fee. Add another \$28 million to state coffers.

Taxing your health insurance

But those sums pale in comparison to the amount the state collects from health insurers, hospitals and medical device makers.

Fees initiated in 1996 in the cryptically named Health Care Reform Act produce nearly \$5 billion for the state, the fourth-largest revenue source after state income taxes — \$48 billion — sales tax — \$13 billion — and corporation and business taxes — \$6 billion.

"Collected in ways that hide them from public view — and that vary from one part of the state to another — the (health) surcharges add as much as 6.2 percent to a typical family's insurance costs," said a [January report](#) from the [Empire Center](#), a right-leaning think tank that examines state spending.

Originally designed to support medical education in the state and provide for unpaid medical bills for the indigent, the Empire Center says two-thirds of the funds from HCRA support the sizable state medicaid bill.

"Instead of raising taxes, they raise another assessment," said Lev Ginsburg, director of government affairs for the [New York State Business Council](#). "That way, you are blaming someone else for the cost."