

## ***MEMORANDUM***

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**DATE:** January 25, 2025  
**TO:** All Clients  
**FROM:** Wendy J. Manson, CPA and William J. Palazzolo, Esq.  
**RE:** Governor Hochul Update

New York Governor Kathy Hochul's proposals from her State of the State address propose to focus on affordability for families, public safety, transportation and growing a sustainable economy, all middle-class economic concerns that helped President-elect Donald Trump win the White House that the Governor hopes to address.

Gov. Hochul's speech came ahead of what is expected to be a difficult reelection campaign for the governor.

Gov. Hochul is expected to face a contested Democratic primary election next year, in a race that could include Lt. Gov. Antonio Delgado and U.S. Rep. Ritchie Torres from the Bronx. In addition, U.S. Rep Mike Lawler, a Republican from the Hudson Valley, may also run for governor.

A brief summary of Gov. Hochul's proposals announced are the following:

- Plans to offer free tuition at state and city universities for those pursuing associate degrees in high-demand fields to help with affordability and economic development.
- Focusing on making community college completely free for students aged 25-55 who enter high-demand fields like advanced manufacturing, education and healthcare.
- Pushing for real savings for New Yorkers pursuing new careers and trying to put money back in their pockets while filling job openings in critical industries.
- A recommitment to reducing carbon emissions with offshore wind off the coast of Long Island and hydroelectric power coming in from Quebec to power New York City. Also, the proposal is calling for a \$1 billion investment to further the transition to a zero-emission economy.
- Proposing building power-ready sites for the green industry, stating that the economy of the future is one with microchip fabrication facilities and data centers, pointing out that the supercomputers that power artificial intelligence need tremendous amounts of energy and to support these industries, we've already started developing an advanced nuclear strategy.
- For working parents, building a pathway to universal childcare calling for \$110 million to build new childcare centers, renovating existing ones, and expanding options for families and communities all over New York.

- Plans to cut taxes for middle-class earners, expand the child tax credit, give students free meals at schools, and make it harder for hedge funds to buy homes. She is calling for a sweeping middle-class income tax cut benefitting 8.3 million taxpayers making less than \$323,000 to deliver the lowest tax rates in seven decades and save hardworking taxpayers \$1 billion.
- Moving to combat fears over crime, expand mental health treatment services and work to strengthen security in the New York City subway system with plans to install barriers on train platforms and stronger lighting in stations. She wants to see uniformed police on the platforms and put an officer on every single train overnight (9 p.m. to 5 a.m.) over the next six months and have the state support these efforts financially.
- Sending residents up to \$500 under a measure she has described as an inflation refund. This plan was first announced in December, through a trip to a supermarket in Albany where she said it would be funded by excess sales taxes generated through inflationary rises in the costs of consumer goods.
- Housing is the number one driver of New York's affordability crisis and the only way to decrease housing costs is to increase supply. She proposed investing \$100 million in local development on top of the \$650 million invested for pro-housing communities last year. This would include building starter homes and providing down-payment assistance for first-time buyers, with an ombudsman to streamline approvals and get shovels in the ground sooner.