



Assemblyman Vito J. Lopez
434 South 5th Street
Brooklyn, NY 11211

January 24, 2011

Dear Assemblyman Lopez:

I am writing on behalf of the Staten Island Chamber of Commerce, our 900 members and their 20,000 employees, to voice my support for A.2472, the bill you introduced to reinstate the tax abatement on the construction of one-, two- and three-family houses.

This bill is critical to the recovery of the construction industry statewide – and particularly on Staten Island. Since the tax abatement expired in July 2006, the state has lost more than 28,000 construction-related jobs, over \$123 million in sales tax revenue and almost \$6 million in property tax revenue. During the same period on Staten Island, almost one of every two people employed by the home building industry lost their job, building permits dropped nearly 80% and wages and salaries fell by almost 40%.

Not only is this bill good for the construction industry, it is good for the state economy and would have only a minimal affect on City coffers. As noted above, the amount of sales and property tax lost due to the expiration of the tax abatement is nearly \$130 million dollars. Before lapsing in 2006, the tax exemption amounted to less than 3% of all residential real estate exemption and abatements in the City. If the tax abatement had never expired, that money could have helped reduce the budget deficit. Additionally, because taxes on undeveloped land are negligible, a tax abatement on newly constructed homes does not have a significant impact on revenue.

I thank you for introducing this bill in support of the construction industry and will strongly urge the Staten Island elected officials to vote in favor of reinstating the tax abatement for newly constructed one-, two- and three-family homes.

Sincerely,

A handwritten signature in black ink that reads "Linda M. Baran". The signature is written in a cursive, flowing style.

Linda M. Baran
President & CEO

CC:

Assemblyman Michael Cusick
Assemblywoman Nicole Malliotakis
Assemblyman Matthew Titone
Assemblyman Lou Tobacco