

# RM&S

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## RMS End of Week Update 2/20/2026



*Photo credit: USA Hockey*

*New Yorkers Haley Winn, Hayley Scamurra, and all-world goalie Aerin Frankel of the Women's USA Hockey team defeated Canada, 2-1, to clinch the gold medal at the 2026 Olympic Winter Games.*

### **30-Day Executive Budget Amendments**

Yesterday, Governor Hochul released her 30-day budget amendments. In addition to making dozens of technical tweaks, the new bills provide details on some of the provisions that have been rolled out in recent weeks.

According to Politico, some of what's been added to Hochul's spending plan, includes \$1.5 billion in additional state aid to help New York City close its \$5.4 billion two-year budget gap, \$20 million in funding for financially distressed cities, and an additional \$30 million in one-time state aid for the city of Buffalo to help close their budget gap.

All funds spending in Hochul's proposed budget, which is the combination of state and federal money, is now projected to be \$262.7 billion. Her initial budget in January projected spending at \$260 billion.

Federal legislation enacted last year ended states' ability to tax managed care organizations, a technical loophole that New York has used to balance its books over the past year. Hochul's initial budget was written with the assumption this money would be gone. But the feds recently agreed to let the health care tax carry on an additional nine months. That nets the state \$1.2 billion more than was expected 30 days ago.

Beyond these changes and the removal of a proposal in her initial budget which would have allowed for autonomous vehicle pilot programs in upstate New York, most of the other amendments were relatively minor. One exception dealt with a couple of infrastructure projects: Two new sections of the budget blueprint ease the creation of residential units as part of a redesign of the Brooklyn Marine Terminal and give the town of Islip more leeway in redeveloping MacArthur Airport and linking it to the Long Island Railroad.

**Please find links to the FY 2027 Executive Budget Legislation Amendments linked [here](#).**

### **Mayor Mamdani's Tax Plan: Corporate, Personal Income, or Property?**

As New York City faces a multibillion-dollar budget gap and mounting affordability pressures, Mayor Mamdani has advanced a tax strategy built around a central idea: shift the burden toward large corporations and the wealthiest New Yorkers, while using property taxes only as a last resort. The debate over his proposal now sits at the center of City Hall's fiscal and political negotiations with Albany.

#### **A Corporate Tax Increase**

At the heart of Mamdani's plan is a proposal to increase taxes on profitable corporations doing business in New York City.

The mayor has argued that major corporations, particularly multinational and highly profitable firms, should contribute more to fund public goods and stabilize the city's finances. During his campaign and in early budget messaging, he supported raising corporate tax rates, potentially bringing them closer to neighboring states like New Jersey.

However, New York City does not have unilateral authority to significantly alter general corporate tax rates. Any major change would require approval from the New York State Legislature and the governor. That requirement has made the proposal as much a political challenge as a fiscal one.

#### **A Millionaire Income Tax Surcharge**

Mamdani has also proposed a targeted surcharge on high-income New Yorkers. His plan calls for an additional 2 percent city income tax on residents earning more than \$1 million annually. The goal, according to the administration, is to generate recurring revenue from those most able to pay while avoiding broad-based tax increases on middle- and working-class households.

Like the corporate tax proposal, this measure would require state authorization. Under current law, New York City's ability to adjust income tax rates is limited and dependent on Albany. The administration frames both the corporate tax increase and the millionaire surcharge as part of a progressive tax strategy designed to fund services such as public

transit improvements, childcare expansion, housing protections, and other affordability initiatives.

### **Property Taxes as a “Last Resort”**

Because corporate and income tax changes require state cooperation, the mayor’s preliminary budget includes a contingency: a significant property tax increase if Albany does not approve the proposed tax changes on corporations and high earners.

The draft proposal outlines a roughly 9.5 percent property tax increase to help close a projected multi-billion-dollar budget shortfall. Property taxes are one of the few major revenue levers the city can adjust without state approval.

The mayor has described the property tax hike as a fallback option rather than a preferred path. Still, it has generated pushback from City Council members and property owners who argue it would place additional pressure on homeowners, renters, and small businesses.

**For more information please click [here](#).**

### **Comptroller DiNapoli Releases Report on FY 2027 Proposed Executive Budget**

State Comptroller Thomas P. DiNapoli released a [report](#) examining the proposed State Fiscal Year (SFY) 2027 Executive Budget warns the trajectory of projected state spending is estimated to increase at a rate faster than expected revenues, creating cumulative outyear budget gaps estimated by the Division of Budget (DOB) to total \$27.5 billion through SFY 2030. Actions taken in Washington, including federal reductions in aid, create increased fiscal strains that are likely to affect the state’s economy, finances and safety net.

“The Executive Budget for the upcoming state fiscal year comes at a time of unusual fiscal uncertainty, caused largely by federal policies that have injected unnecessary volatility into the state and national economies, and disruptive changes in the state’s relationship with the federal government,” DiNapoli said. “These policies will result in lost funding and increased costs to the state, and could deal a devastating blow to hundreds of thousands of New Yorkers with the loss of health coverage, nutritional assistance, safety net protections and more. As negotiations commence, policymakers need to proceed with caution as they work on balancing the budget, improving affordability and maintaining vital services for New Yorkers. I oppose the proposals to erode contract oversight by my office for billions in spending of taxpayer money. Independent oversight and broader competition in the procurement process are not obstacles but are essential checks that ensure public funds are spent responsibly and fairly.”

To view the full report please click [here](#).

### **Remaining Joint Budget Hearings And Testimony Deadlines**

| Week 4  |                   |                     |                    |
|---|-------------------|---------------------|--------------------|
| February 24<br>Higher Education                           | January 28 at 5pm | February 13 at 12pm | February 24 at 5pm |
| February 25<br>1.Labor/Workforce Development<br>2.Housing | January 28 at 5pm | February 13 at 12pm | February 25 at 5pm |
| February 26<br>1.Economic Development/ Arts<br>2.Taxes    | January 28 at 5pm | February 13 at 12pm | February 26 at 5pm |

### **Supreme Court Strikes Down Trump's Tariffs**

The Supreme Court ruled today that President Trump exceeded his authority when he imposed sweeping tariffs on imports from nearly every U.S. trading partner, a major setback for his administration's second-term agenda.

The court's 6-3 decision has significant implications for the U.S. economy, consumers and the president's trade policy. The Trump administration had said that a loss at the Supreme Court could force the government to unwind trade deals with other countries and potentially pay hefty refunds to importers.

Writing for the majority, Chief Justice John G. Roberts Jr. said that statute does not authorize the president to impose tariffs.

"The president asserts the extraordinary power to unilaterally impose tariffs of unlimited amount, duration, and scope. In light of the breadth, history, and constitutional context of that asserted authority, he must identify clear congressional authorization to exercise it," the chief justice wrote.

Justices Clarence Thomas, Samuel A. Alito Jr. and Brett M. Kavanaugh dissented. The decision on Friday left uncertain the extent to which those who paid tariffs might be able to obtain refunds, with Justice Kavanaugh warning that any refund process could be a substantial "mess."

The United States "may be required to refund billions of dollars to importers who paid" the tariffs, he wrote, "even though some importers may have already passed on costs to consumers or others."

The court's ruling, backed by justices from across the ideological spectrum, was a rare and significant example of the Supreme Court pushing back on Mr. Trump's agenda. Since he returned to the White House, the court's conservative majority had

overwhelmingly issued emergency orders allowing the president to carry out his policies on a temporary basis. But the decision on Friday will have a more lasting impact.

Two of Mr. Trump's appointees — Justices Neil M. Gorsuch and Amy Coney Barrett — voted with Chief Justice Roberts and the three liberal justices.

Mr. Trump called the Supreme Court's ruling "a disgrace".

**To view the full article please click [here](#).**

### **Appellate Court Denies GOP's request To Stay NY-11 Redistricting Decision**

A state appellate court on Thursday denied a motion that would have paused last month's judicially-ordered redrawing of New York's 11 Congressional District.

That means the state Independent Redistricting Commission has to begin the process of producing new lines for the district, as ordered last month by state Supreme Court Justice Jeffrey Pearlman.

The decision puts the state's congressional elections in limbo, given that the redrawing of one district will impact the lines of at least one other. It's not expected to be the last word on the case from the Appellate Division, First Department.

The Republican members of the Independent Redistricting Commission filed a notice of appeal of Pearlman's decision Wednesday evening. If that moves forward, the case would be heard by the First Department at some point.

U.S. Rep. Nicole Malliotakis, a Republican who represents the district, had asked the Court of Appeals, the state's highest court, to fast-track the case last week. That request was rejected.

That means the case is now in the hands of the U.S. Supreme Court. Attorneys on Malliotakis' side of the litigation filed an emergency application with the U.S. Supreme Court last week to pause Pearlman's decision.

On the court decision Governor Hochul said "The New York State Constitution guarantees the principles of fair representation, and New Yorkers in every community deserve these protections. After the Appellate Division's decision today, there is now a need for the New York Independent Redistricting Commission to begin the work of redrawing these maps."

Staten Island voters will have to wait on the U.S. Supreme Court to know what their congressional district will look like heading into this year's elections.

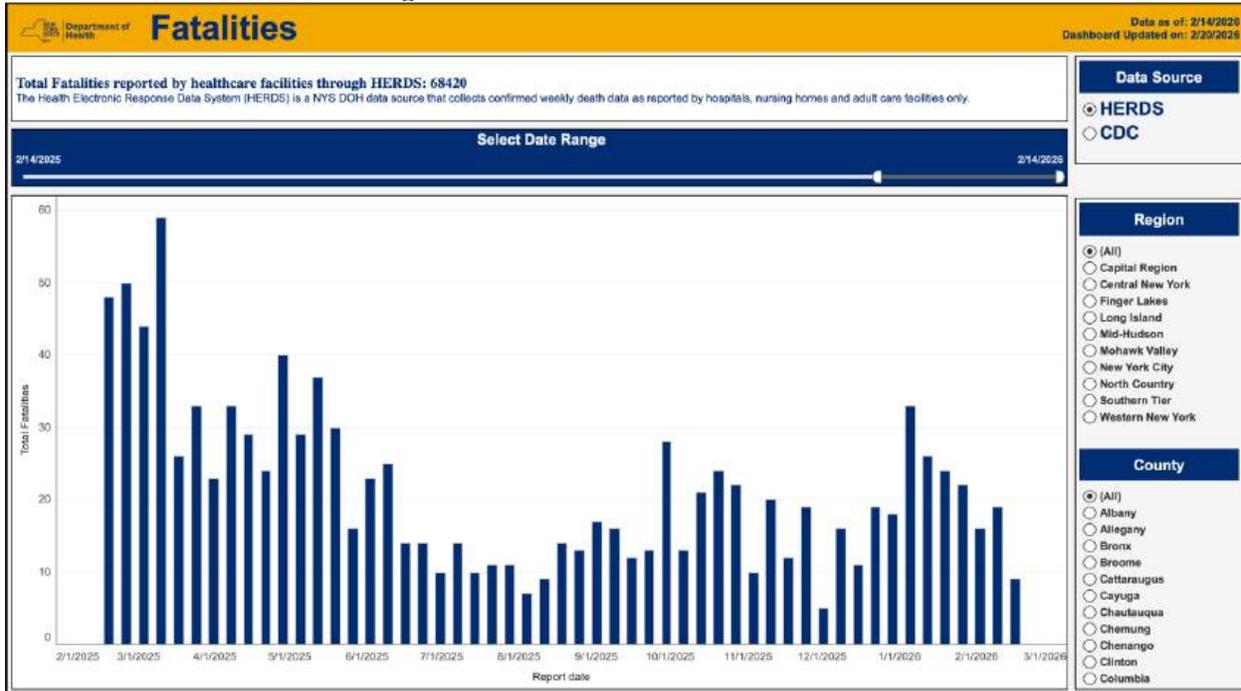
For more information please click [here](#).

## **NYS COVID-19 Monitoring Dashboard**

Use this link to view the State's updated [COVID-19 Hub](#).

## **NYS COVID-19 Fatalities Tracker**

Below we have included the Fatalities Tracker with the webpage where updated numbers can be found throughout the week linked [here](#).



## **Helpful Links and Resources**

[Rms Tax And Business Exec Budget Update SFY 2027](#)

[SFY 2026-27 Executive Budget Health/Mental Hygiene Budget Summary](#)

[Assembly Yellow Book](#)

[Senate Blue Blook](#)

[Empire State Development Tariff Resource Guide](#)

[Eliminating Distractions In Schools Resource](#)

[Center for Disease Control and Prevention](#)

[Department of Financial Services information and resources](#)

[New York COVID-19 Vaccine Information Page](#)

## **Department of Health**

<https://coronavirus.health.ny.gov/home>

[COVID-19 Guidance for Medicaid Providers](#)

## **Office of Mental Health**

<https://omh.ny.gov/omhweb/covid-19-resources.html>

## **OPWDD**

<https://opwdd.ny.gov/coronavirus-guidance>

**State Education Department**

<http://www.op.nysed.gov/COVID-19.html>

**NYS Department of Labor**

<https://dol.ny.gov/>