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Gov. Cuomo’s All-Cuts Budget

Gov. Andrew Cuomo has rightly argued that painful spending cuts will be needed to close New York’s projected $10 billion deficit. The hard truth is that it is impossible to cut spending deeply without cutting the state’s huge outlays for education and health care. That means that New York’s most vulnerable citizens — schoolchildren, the elderly, the poor, the sick — will feel a disproportionate amount of the pain.

Governor Cuomo has vowed to make the tough decisions and not to be swayed by special-interest pleadings. But he is refusing to impose any new taxes or even continue a current surcharge on New York’s wealthiest and least vulnerable citizens.

That makes no fiscal sense. So we have to assume that for Mr. Cuomo, some special interests are more special than others. Just extending the surcharge on New York’s highest earners through 2012 would add an estimated $1.2 billion in revenue to the upcoming budget and $4 billion the following fiscal year.

Without that surcharge and other targeted tax increases, Mr. Cuomo’s proposed cuts in education and other vital services will inevitably be deeper and more painful than necessary, harming both individuals and the foundation for the state’s future economic growth.

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The governor has proposed his no-new-taxes budget and is now negotiating with state lawmakers. The Legislature is required to approve a final budget by April 1. That means there is only slightly more than a week to decide these critical issues.

The Republican-led State Senate, predictably, supports Mr. Cuomo’s tax stance. The Democratic-led Assembly has proposed a partial extension of the high-earner surcharge that would ease some of the cuts in Mr. Cuomo’s budget, but would still leave a swath of vulnerable New Yorkers exposed to avoidable hardship.

The high-earner surcharge, which is set to expire at the end of this calendar year, currently applies to individuals with taxable income above $200,000 or married couples above $300,000 — the top 2.8 percent of New York taxpayers. (Note that “taxable income” is total income minus exemptions, deductions and other tax breaks, so the gross pay of New Yorkers affected by the surcharge is much higher than the stated threshold.)

If it were extended, the burden would be tolerable. A couple with $350,000 in taxable income would simply continue to pay an extra $3,500; a couple with taxable income of $1.5 million would continue to pay $31,800 more. Those payments would be more than offset by the federal tax breaks those same taxpayers got with the recent renewal of the Bush-era tax cuts.

The surcharge revenue could be used to reduce many of the proposed cuts, or to avert the worst of them. For instance, Mr. Cuomo wants to withhold a $1.2 billion payment due to poor school districts under a 2006 court order. If the Legislature agrees, it will be the second year in a row that the ordered payment is not made. And it will further widen an already unconscionably wide gap between rich and poor school districts.

Extending the surcharge would allow the payment to be made. Even then, K-12 education would still face a crushing 7.3 percent cut from last year's spending. If it is combined with Mr. Cuomo's wrongheaded idea for a property tax cap, many schoolchildren will suffer educational setbacks from which they — and the New York economy — may never recover.

If it were not so serious, Mr. Cuomo's antitax crusade would be silly. His claim that New York has "the worst business tax climate in the nation, period" is based on an index from the Tax Foundation, a research group, which rates South Dakota and Alaska as the best states. New York is clearly not at a competitive disadvantage to those states. And neither is at a disadvantage to its neighbors: what Mr. Cuomo does not say is that New Jersey is ranked 48th on that list and Connecticut 47th.

More important, taxes generally rank behind education, infrastructure and other criteria when businesses decide where to locate and invest. If Mr. Cuomo were really concerned about the needs of business, he would seek to reduce proposed cuts in areas that businesses care about most.

The surcharge is not the only place to look for needed revenues. A penny-per-ounce tax on sugary sodas could raise an estimated $465 million in the first fiscal year. A review of the state's nearly $29 billion in annual corporate tax credits and other breaks could yield hundreds of millions of dollars in credits that have outlived their usefulness.

Calling for painful spending cuts, it turns out, is the easy part. Calling for relatively painless tax increases requires real political courage, which Mr. Cuomo and state lawmakers have yet to display.

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This is part of a series of editorials about the fiscal crisis in New York State and in other states around the country. You can read all of these articles at: nytimes.com/fiscalcrisis.