

1987

# GOV WARNED: SLASH TAX OR BUDGET DIES

By FREDRIC DICKER, Bureau Chief

ALBANY — Gov. Cuomo's record-high budget plan won't be approved unless it grants "a significant tax cut," the state's most powerful Republican declared yesterday.

Senate majority leader Warren Anderson, who has the power to block passage of Cuomo's new \$40.9 billion budget, made the statement in his first formal reaction to the governor's proposal.

"I wouldn't go so far as to say that Gov. Cuomo's budget was dead on arrival, but I will say that a budget of this magnitude without a significant cut in state taxes is simply not acceptable," said Anderson, of upstate Binghamton.

Meanwhile, in a rare move, Anderson was joined in criticizing Cuomo's fiscal 1987-88 budget proposal by two other top legislators, both Democrats like the governor.

Senate minority leader Manfred Ohrenstein of Manhattan chided Cuomo for failing to propose cuts in state taxes, something the governor contends the state can't afford.

Ohrenstein wants the state to cut income taxes at least \$300 million this year, which Anderson says is too little.

In addition, Ohrenstein said Cuomo was "far too conservative"



WARREN ANDERSON

in estimating how much money the state should return to taxpayers as the result of the so-called "revenue windfall" from federal tax reform.

"The state has no right to keep any part of the windfall and it should all be returned expeditiously," said Ohrenstein.

The other Democrat challenging Cuomo was Sen. Donald Halperin of Brooklyn, the highest-ranking minority member of the powerful Finance Com-

mittee.

"When it comes to returning the federal tax reform windfall, the governor wants to give the benefit of the doubt to the state treasury," said Halperin.

"I, however, doubt that this will give any benefit to the taxpayers who doled out the money in the first place."

Ohrenstein, Anderson and state Controller Ned Regan agree the windfall will top \$2 billion — perhaps reaching as much as \$2.4 billion.

Cuomo insists it will be much less. He wants to give back \$1.67 billion, at least for starters.

Cuomo spokeswoman Ann Crowley said the governor wouldn't be moved by the criticisms — at least not now.