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Latest WTC victims: two cuts in city income tax

By DAVID SEIFMAN *in New York* and FREDRIC U. DICKER *in Albany*

Two tax cuts are about to fall victim to the city's fiscal problems, The Post has learned.

The cuts in the personal income-tax surcharge — one enacted in January and another in July — effectively sliced the 14 percent surcharge in half and returned $360 million a year to taxpayers.

Those reductions will be rolled back on Jan. 1 unless Mayor Giuliani and the City Council re-enact them before the end of the year, which sources say is unlikely.

Sentiment for tax cuts vanished in the council after the Sept. 11 attacks on the World Trade Center, which led Giuli-

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ani to freeze $1 billion in spending this year.

"The administration still wants the tax cuts, but there's no way the [council] members are going to go for that when programs they supported are in jeopardy," one source said.

That means that a couple with two kids and earning $100,000 is facing an added $180 a year in taxes starting Jan. 1.

Giuliani also warned yesterday that the city faces further financial pressures because of "inequitable" funding bills being hammered out by state lawmakers.

"They really whacked New York City big-time," the mayor said of Albany.

He pointed to the loss of $228 million from the stock-transfer tax, a reduction in the school-aid formula, a $13.5 million hit to the Department of Transportation and $6.5 million less for law enforcement.

Giuliani singled out Democratic Assembly Speaker Sheldon Silver as the culprit, charging: "He's the guy who's supposed to be fighting for us and defending us."

Silver responded: "It is unfortunate that, in the waning days of his administration, the mayor continues to be political."

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