



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

## Senator Fuschillo: Mta Bailout Fails Long Island

CHARLES J. FUSCHILLO JR. May 7, 2009

***Increases costs for commuters, businesses, schools, non-profits, local governments, hospitals, nursing homes, libraries, drivers, churches, and Long Island property taxpayers***

State Senator Charles J. Fuschillo, Jr. (8<sup>th</sup> Senate District), ranking member of the Senate Transportation Committee, voted against Governor Paterson's MTA tax bailout plan approved by the Legislature today which imposes a payroll tax on every Long Island business, non-profit, library, hospital, nursing home, local government and school, and increases vehicle registration and driver's license fees for the second time this year. As part of the bailout plan, the MTA is also expected to hike Long Island Rail Road and subway fares 25 percent over the next four years.

Governor Paterson's \$2.2 billion MTA tax bailout plan is a massive new State mandate that will drive up property taxes, increase taxes on New York businesses and cause the loss of jobs throughout the State. Under the bailout plan, Nassau and Suffolk County taxpayers will have to pay an additional \$9 million in combined property taxes to pay for the payroll tax imposed on all of Long Island's county, town and village governments.

Senator Fuschillo said, "While it is crucial that we support our mass transit system, this MTA bailout plan fails everyone on Long Island. The payroll tax amounts to a costly unfunded mandate on every Long Island business, non-profit, local government, library, hospital, and school. Ultimately, this tax will be passed onto Long Island's families who are already overburdened with high school taxes and a bad economy. In addition the fee and fare increases will be a costly blow to commuters and drivers alike."

Among the harmful taxes and fees included in Governor Paterson's MTA tax bailout plan are:

**Payroll Tax** - imposes a payroll tax of 34 cents for every \$100 in salary for every employer within the 12-county MTA service area including for-profit and not-for-profit businesses, local governments, libraries, hospitals, nursing homes, churches and schools. For businesses, the payroll tax will be retroactive to March 31, 2009.

All told, the payroll tax will cost Nassau County School Districts an estimated \$13,321,396 each year and Suffolk County school districts \$14,709,880 annually. The total impact of the tax on municipalities within Nassau County will be \$4,911,370 and Suffolk County municipalities will have to pay a total of \$4,389,737 more in taxes. It is also estimated that the payroll tax will cost the three Long Island BOCES approximately \$1 million. The payroll tax does not have a sunset provision; it is permanent.

**25 Percent Fare Hike for LIRR, Subway and Bus** - Long Island Rail Road, New York City buses and subway fares are expected to increase 10 percent this year and increase again by 7.5 percent in both 2011 and 2013 to a total of 25 percent.

**Taxi Cab Tax** - a 50-cent surcharge on taxi rides that originate in New York City beginning on November 1, 2009.

**Vehicle Registrations, Driver's Licenses and Learner's Permits to Cost More** - Increases motor vehicle registration and re-registration fees by \$25 annually. Also increases the cost of driver's licenses and learner's permits by \$2 annually. These fee increases are in addition to those enacted in Governor Paterson's 2009-2010 state budget.

**Auto Rental Tax** – increases the sales tax on auto rentals within the 12-county MTA region by five percent.

**No Funds for Highway and Bridges** – the bailout plan does not provide support for roads and bridges on Long Island. For decades, the state approved five-year capital plans for the MTA and for road and bridge projects simultaneously for projects on Long Island.

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