



NEW YORK STATE SENATOR

Stephen M. Saland

Saland Introduces Bill to Kill Payroll Tax

STEPHEN M. SALAND November 4, 2009

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Senator Steve Saland (R,I,C – Poughkeepsie), an outspoken critic of the MTA bail-out measure, unveiled a proposal to eliminate the payroll tax imposed on Dutchess, Orange, Putnam and Rockland counties.

Saland, joined by his Senate Republican colleagues, Senators Vincent Leibell (R,I,C - Patterson), John Bonacic (R,I,C – Mt. Hope) and Bill Larkin (R,C – Cornwall-on-Hudson), announced a plan which would remove the imposition of the payroll tax on the four northern counties in the Metro-North region. Saland's plan would keep the MTA's revenue collection intact by requiring the MTA to include in their operating agreement with Connecticut an equitable distribution of the debt service burden. With Connecticut paying their fair share for the New Haven line and the establishment of a fare increase, Saland has presented a balanced approach to remove the job killing payroll tax on Dutchess, Orange, Putnam and Rockland counties.

"I have long asserted that Dutchess and its neighboring counties have never been treated fairly by the MTA. Our tax burden far exceeds any benefit derived by the presence of Metro-North in our region. To impose a payroll tax at the same percentage rate as expected of other counties with much higher commuter rates is an abomination that must cease," declared Saland. "Quite frankly, I would prefer that the payroll tax be eliminated without any fare

increase and the MTA be directed to live within their means, however, faced with the political reality that the Democrats in leadership would not accept a plan that diminishes revenue to the MTA, I have worked diligently to devise a proposal that does not reduce the MTA's resources, but rather redirects the burden to reflect the services provided to Connecticut residents and usage within the four northern Metro-North counties. The bail-out plan supported by the Governor and every Senate Democrat was not only unfair and excessive, it did not take into account ridership in Connecticut. My bill provides a more equitable approach and relieves the taxpayers in Dutchess, Orange, Putnam and Rockland from the payroll tax obligation that they never should have been asked to pay. Connecticut's New Haven Line commuters are part of the Metro-North system. Their costs and fares are in effect subsidized by the excessive and disproportionate taxes being sucked out of these four revenue-hostaged counties," concluded Senator Saland.

"What happened this year in an effort to bail-out the MTA from their operating deficit resulted in a travesty for the taxpayers throughout the MTA region and particularly, Dutchess, Orange, Putnam, and Rockland counties that comprise only 10% of the Metro-North ridership and are subsidizing roughly \$32,000 per transit rider. This legislation is a first-step to right a wrong inflicted by the Governor and the Democrats in the Senate and Assembly. While there is no question the northern Metro-North counties suffer the greatest inequity, the payroll tax should be eliminated throughout the entire MTA region," Senator Leibell said.

State Senator John Bonacic said, "The MTA tax was horribly unfair to the Hudson Valley and should be repealed. When it comes to the MTA, Hudson Valley families are experiencing taxation without transportation. Hudson Valley residents rely on and pay for the Thruway for transportation. We don't levy a tax on New York City to do so. Here, the MTA and the New York City Democrats who control State government have forced us to pay for a service

Hudson Valley families simply do not use. The solution Senate Republicans are offering is reasonable, fair, and deserves a vote in the Senate and Assembly now."

"This new approach to funding the MTA is exactly what our taxpayers have been asking us to do," said Senator Bill Larkin. "From the moment the ill-conceived MTA bailout was forced upon the Hudson Valley, our taxpayers demanded that those who use the trains should be the ones paying the tab. This legislation will relieve the burden of the payroll tax on our businesses, the self-employed and, most importantly, our school districts," said Larkin.

Senator Saland and his regional colleagues call upon the Governor and the MTA Chair to consider the merits of this proposal and provide the taxpayers of Dutchess, Orange, Putnam and Rockland counties with the tax relief they deserve.

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