



NEW YORK STATE SENATOR

Lee M. Zeldin

New York State Conservative Party Endorses MTA Tax Repeal Legislation

LEE M. ZELDIN June 7, 2011

| ISSUE: **PAYROLL TAX**

Albany, NY- Senator Lee M. Zeldin (R, C, I –Shirley) announced that the New York State Conservative Party has endorsed his MTA Payroll Tax Repeal legislation (S.5596/A.8193).

The New York State Conservative Party released the following statement:

Brooklyn, NY -- The New York State Conservative Party issued the following Legislative Memo today, strongly supporting Sen. Lee Zeldin's proposed bill to immediately cut parts of the onerous MTA payroll tax and gradually reduce the tax in the seven counties surrounding New York City. The memo follows:

Party Position: In 2009, an onerous tax on employers in areas serviced by the Metropolitan Transportation Authority, was enacted. The region is called the Metropolitan Commuter Transportation District (MCTD) and employers in the region are required to withhold \$.034 NYS income tax from employee wages.

The tax has had a negative effect on current businesses and has stymied growth of new business. Schools have also been required to pay the tax and this bill seeks to immediately repeal the tax on businesses with less than 25 employees and all schools, both public and non-public.

The payroll tax for the seven suburban counties within the MCTD will be gradually phased out beginning on January 1, 2012 and fully repealed by January 1, 2014. Within NYC's five boroughs, the tax will begin being reduced on January 1, 2013 to .28%, .21% on January 1, 2014 and remain at that rate.

The seven suburban counties include Nassau, Suffolk, Dutchess, Orange, Putnam, Rockland, and Westchester and are not as reliant on the MTA's services as those who live in New York City and use the subways and buses daily.

This onerous tax has provided \$1.4 billion in annual support for public transportation since enacted in 2009. The businesses, schools and other government entities forced to pay this tax, without benefiting from MTA's services, must be granted the relief sought in the proposed bill. Citizens who use services provided by the MTA, will continue to pay the tax, but at a reduced rate.

The Conservative Party urges immediate passage of the proposed bill.

"I am excited that the New York State Conservative Party has endorsed our MTA Payroll Tax repeal legislation. It is important that we eliminate this job-killing tax as soon as possible, and I am extremely grateful to have the Conservative Party's full support in this effort. I am working very hard to bring together a broad bi-partisan coalition to fight for this tax repeal legislation. In the coming days, I look forward to announcing more support, as the groundswell of support continues to grow," said Senator Zeldin.