



NEW YORK STATE SENATOR

Lee M. Zeldin

New York State Catholic Conference Supports MTA Tax Repeal Legislation

LEE M. ZELDIN June 14, 2011

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Senator Lee M. Zeldin (R, C, I –Shirley) and Senator Jack Martins (R-Mineola) announced that the New York State Catholic Conference is supporting their MTA Payroll Tax Repeal legislation (S.5596/A.8193).

The New York State Catholic Conference released the following statement:

The above-referenced legislation makes changes to various financing provisions relating to the Metropolitan Transportation Authority (MTA) and in so doing, explicitly exempts public school districts, BOCES, and Special Act School Districts, as well as religious and independent schools from being subject to the MTA payroll tax.

The NYS Catholic Conference strongly supports this measure.

The imposition of the MTA payroll tax in 2009 imposed an onerous financial burden on employers throughout the MTA region, including not-for profit organizations and religious and independent schools. Moreover, the tax has been unfairly and unjustly applied because a reimbursement mechanism was established for only public school districts. The MTA payroll tax hits this diverse school community particularly hard. Of the 488,000 students in the state's religious and independent schools, 407,000 are enrolled in schools within the MTA region. These schools have little choice but to raise tuition to cover the cost of the tax, and as a result, even more families than usual are being forced to enroll their children in public school – costing the state far more than it is collecting with the MTA tax.

Reimbursing only public schools is discriminatory and patently unfair, particularly to families and employees within the religious and independent school community. This measure will remedy this particular injustice by explicitly exempting religious and independent schools, along with public schools, from being subject to the tax.

In addition, the measure phases in a reduction of the tax rate for employers in New York City and phases out the tax all together for employers outside New York City. This provision will bring meaningful relief to employers throughout the region, especially those in the not-for-profit community which have been the least capable of shouldering the financial burden of tax. The measure also sets forth numerous provisions to neutralize the loss of revenue to the MTA, thereby ensuring that commuters will not be forced to endure rate increases of a reduction in transportation services.

The NYS Catholic Conference strongly supports this measure and urges its immediate enactment.

“Catholic schools and charities in the 12 County MTA region have been deeply affected by the job-killing MTA Payroll Tax. I welcome the support of the New York State Catholic Conference, and look forward to adding to the momentum of support our legislation is gaining,” said Senator Zeldin.

“I want to thank the New York State Catholic Conference for supporting our bill to eliminate the MTA payroll tax. Together we will repeal this tax, which has created a hardship for businesses, schools, non-profits and all of our residents. This tax should never have been enacted, but we will continue to fight until it is eliminated. It's repeal will mean more money for our schools. The funds that are being collected from this tax will go back into education and into our economy where it belongs,” said Senator Martins.

The New York State Catholic Conference's support adds to a growing list of endorsements the legislation has received in the past week since being announced. Endorsements have also come from the Empire State Chapter of the Associated Builders and Contractors, the National Federation of Independent Businesses, Business Council of New York State, Inc., Conservative Party of New York State, Long Island Business News, New York Farm Bureau,

GrowPAC, restructuring expert Harry Wilson, Long Island Cares, Inc., Long Island Business Council, Hauppauge Industrial Association, and several Chambers of Commerce.