



NEW YORK STATE SENATOR

Lee M. Zeldin

## **Independent Insurance Agents & Brokers of New York Join Senator Zeldin's Call on The State Assembly to Pass MTA Payroll Tax Repeal**

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Senator Lee M. Zeldin (R, C, I -Shirley) announced today that the Independent Insurance Agents & Brokers of New York is supporting his MTA Payroll Tax Repeal legislation.

S.5596-A/A.8193-A passed the New York State Senate on June 15, 2011, with a bi-partisan vote, 40-22. The bill was introduced in the Assembly by Assemblyman George Latimer (D-Rye). Co-sponsors include Assembly Members Dean Murray (R, C- East Patchogue), Al Graf (R, C- Holbrook), Dan Losquadro (R, C- Shoreham), Marcus Molinaro (R, I, C-Red Hook), Jim Conte (R, I, C, WF-Huntington Station), Mike Spano

(D-Yonkers) and Fred Thiele (I- Sag Harbor).

**The Independent Insurance Agents & Brokers of New York released the following statement:**

**“New York’s oldest insurance producer trade organization also called for a repeal of the Metropolitan Transit Authority tax. This payroll tax, enacted in 2009, affects employers in New York City and surrounding counties. It has hurt hundreds of insurance agencies in these counties, hindering them from creating jobs and serving their clients better. IIABNY supports Senate Bill S.5596-A, sponsored by Sen. Lee Zeldin, and Assembly Bill 8193-A, sponsored by Assemblyman George Latimer. Both measures would gradually repeal the tax, giving the MTA time to adjust.”**

#### Summary of Legislation

Small businesses with 25 employees or less, as well as public and non-public schools throughout the entire Metropolitan Commuter Transportation District (MCTD), would be completely exempted from the payroll tax as of January 1, 2012.

The payroll tax, for the seven suburban counties within the MCTD, beginning on January 1, 2012, will have tax rates reduced to 0.23 percent. The tax will be further reduced to 0.12 percent for 2013 and fully repealed as of January 1, 2014. These counties include Suffolk, Nassau, Westchester, Rockland, Orange, Putnam and Dutchess.

Within New York City’s five boroughs, the tax would be reduced to 0.28 percent on January 1, 2013 and 0.21 percent beginning on January 1, 2014. The payroll tax would remain in effect at the 0.21 percent rate for New York City’s five boroughs.

This legislation also includes several measures to mitigate the immediate fiscal impact of the PMT phase-out on the MTA’s operating budget and in order to provide the MTA with the opportunity to implement greater operating efficiencies. These mitigation measures will result in the MTA having to absorb only \$375.6 million in foregone PMT revenue by 2014, a tiny 2.4 percent of the expected \$15 billion MTA operating budget.

These measures include:

- Direct up to \$100 million Regional Greenhouse Gas Initiative (RGGI) funds collected within the MCTD to the MTA.
- Eliminate the PMT for public and non-public schools and state savings from the PMT reduction.
- Prohibit the use of transit funds for state General Fund relief and other purposes.
- Restore a portion of the New York City revenue sharing in SFY 2014-15 and have it dedicated to the MTA for New York City transit purposes.
- Dedicate a portion of the state sales tax on gasoline to transportation including transit and the Dedicated Highway and Bridge Trust Fund, which supports Department of Transportation capital spending.

“Independent Insurance Agents and Brokers, like all small businesses in the 12 County MTA region, have been deeply affected by the job-killing MTA Payroll Tax,” said Senator Zeldin.

“I thank the Independent Insurance Agents & Brokers of New York for their support in helping to repeal this onerous tax. They know that one of the best ways to improve our downstate economy is to get rid of this job-killing tax as soon as possible. It is now time for the Assembly Majority to act, and move this very responsible legislation to phase out the MTA Payroll Tax to the floor for a vote.”

The Independent Insurance Agents & Brokers of New York 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 Nassau-Suffolk Hospital Council, Tax Relief Now, New York State Catholic Conference, 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.