



NEW YORK STATE SENATOR

Lee M. Zeldin

## Senators Martins and Zeldin, Assemblymen Thiele and Murray, Introduce Legislation To Repeal MTA Payroll Tax for Suffolk County and Its Towns and Villages

LEE M. ZELDIN February 6, 2012

| ISSUE: **MTA (METROPOLITAN TRANSPORTATION AUTHORITY), PAYROLL TAX**

### *Local Elected Officials Express Support for Legislation*

Brookhaven, NY- New York State Senator Lee M. Zeldin (R, C, I- Shirley) and New York State Assemblyman Dean Murray (R, C- East Patchogue) today joined local elected officials to announce the introduction of State Legislation to fully repeal the MTA Payroll Tax for all counties, towns and villages outside of New York City.

Senators Zeldin and Jack Martins (R, C- Mineola), and Assemblyman Murray, since taking office last year, have been committed to eliminating the MTA Payroll Tax that was enacted in 2009. In June 2011, the State Senate passed Senator Zeldin's legislation to completely phase out the MTA Tax for all employers in Nassau and Suffolk Counties, as well as other locations throughout the 12 county MTA Region. Unfortunately, the legislation was never taken up for a vote in the State Assembly despite bi-partisan sponsorship.

Together with many of their Senate and Assembly colleagues, the ongoing effort has started to yield substantial results. This past December, Governor Andrew Cuomo signed legislation that repealed the MTA Payroll Tax for small businesses and other entities, with payrolls

under \$1.25 million, many self-employed business owners, as well as all private and public schools. That's over 700,000 taxpayers who were previously paying it. Approximately 80% of all employers received a total elimination. Thousands of others received a reduction.

However, many counties, including Nassau and Suffolk, as well as towns and villages, like Islip and Brookhaven, with payrolls over that threshold, are still paying the tax.

This new bill is a way to provide tax relief to municipalities that are still forced to pay the .34 percent tax per \$100 of payroll to subsidize the MTA. Senator Martins and Senator Zeldin have taken the lead introducing this legislation in the Senate. Assemblymen Fred Thiele (I-Sag Harbor) and Murray have done the same in the Assembly.

"In December, the Senate Republicans under the leadership of Senate Majority Leader Dean Skelos, working closely with Governor Andrew Cuomo and supportive Assembly members, were able to secure an elimination of the MTA Payroll Tax for 80 percent of all employers forced to pay the MTA Tax. Now, we are taking the next step with the Martins-Zeldin bills to exempt all municipalities outside New York City, as well as all libraries throughout the MTA region. Assemblyman Murray and I are working hard with our Senate and Assembly colleagues to even further eliminate this ill-conceived tax on jobs," said Senator Lee Zeldin. "Meanwhile, we support and encourage the MTA's progress to become efficient and reduce operating costs."

"Last year, we were able to repeal the MTA payroll tax for roughly 80 percent of businesses. Unfortunately, this hidden tax still hurts far too many organizations, including libraries, local governments and municipalities. It's a job killer and the legislation Senator Martins, Senator Zeldin and I are proposing will finally rid our job creators and communities of this onerous tax," said Assemblyman Dean Murray.

Together with this bill, Senator Zeldin and Assemblyman Murray have partnered with Senator Jack Martins and Assemblyman Fred Thiele in sponsoring additional legislation (S-6079A) to repeal the MTA Payroll Tax for all libraries. This will allow libraries to provide more services to the community instead of having to support the MTA. "Repealing it for libraries would free up limited resources and allow libraries to enhance their services for the community," said Senator Jack Martins.

"I voted against the MTA Payroll Tax in 2009 and accurately predicted that it would be an unfair, job-killing tax that hindered Long Island's efforts to return to economic prosperity. Thankfully, working with our Senate partners, Jack Martins and Lee Zeldin, the State Legislature was able to repeal this ill-considered policy for more than 80% of our employers last December. Elimination of the tax for ALL local governments is another meaningful step in totally repealing this tax. There is no rational reason why the State should impose this tax on its own political subdivisions. By repealing the tax for all counties, towns, and villages, we are at the same time reducing local taxes for all Long Islanders by insuring that this state tax is not passed through on the property tax bill," said Assemblyman Fred Thiele (I- Sag Harbor).

"The repeal of the MTA Payroll Tax for counties, other municipalities and medium to large size businesses will serve as an economic boost for the Suffolk County economy and our region," said Suffolk County Executive Steve Bellone. " In these difficult economic times, if we are able to assist in reducing an additional tax burden for municipalities and businesses we are helping the entire economy and allowing businesses to redirect those fund to creating jobs. I applaud the bi-partisan work of our state delegation in repealing the MTA Payroll Tax on schools and small businesses and look forward to continued bi-partisan support of the proposed legislation."

Brookhaven Supervisor Mark Lesko said, "As Supervisor of Suffolk County's largest township and Chair of the Suffolk County Supervisors' Association, I am incredibly grateful

to our state legislators, particularly Senators Dean Skelos, Lee Zeldin, and Jack Martins, and Assemblymen Dean Murray and Fred Thiele, for their tenacious commitment to fully repealing the MTA Payroll Tax and exempting townships like Brookhaven from this job-killing tax. Senators Skelos and Zeldin clearly meant what they said when they pledged to repeal the MTA payroll tax and on behalf of Brookhaven Town and its 486,000 residents I am eternally grateful for their vigilance."

"We could not be more proud or grateful to Senator Zeldin and Senator Martins for continuing to fight for the residents of Islip. With the passing of this legislation, the Town of Islip will no longer have the burden of paying the MTA payroll tax, which put an unnecessary strain on our residents and local economy. We will have more resources to dedicate to improving services and the quality of life in our Town," said Islip Town Supervisor Thomas Croci (R, C, I- Bohemia).

"Senators Martins and Zeldin have truly distinguished themselves in less than two years in office," said Councilman Dan Panico "Together their leadership is the dawn of a new day in Albany and for the future of our island. This legislation will bring much needed relief to the Town of Brookhaven and my constituents in 6th Town Council District."