



NEW YORK STATE SENATOR

Jack M. Martins

Senator Martins, Senator Marcellino, & Business and Community Leaders Demand Mta Abandon Plans to Make Mta Payroll Tax Permanent

JACK M. MARTINS October 1, 2014

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Senator Martins discusses why the MTA should abandon its plans to make the MTA payroll tax permanent. He is joined by (l-r) Long Island Business Council Nassau Chairman Rich Bivone, Senator Carl Marcellino, Legislator Rich Nicolello, and Mayor Peter Cavallaro.

Senator Jack M. Martins (R-Mineola) and Senator Carl L. Marcellino (R-Syosset) today called on the MTA to abandon its plans to make the MTA payroll tax permanent. Senators

Martins and Marcellino were joined by business and local government leaders in urging the MTA to reconsider its proposal.

"The MTA payroll tax has robbed Long Island of hundreds of millions of dollars and countless jobs. It should be repealed entirely, not made permanent. At a time when we are trying to create jobs, grow our economy, and lower the cost of doing business here, making this job-killing tax permanent is the last thing we should do. The MTA needs to reconsider its plan and work harder to find efficiencies in their own organization, just as New York State has done, before asking Long Islanders to continue paying more," said Senator Martins.

"While it is crucial that we support our mass transit system, the MTA Payroll Tax fails. It does nothing more than drive up property taxes, increase taxes on businesses and cause the loss of jobs throughout the MTA region. It does nothing to reform the bloated and wasteful spending of the MTA. They must follow the example of individuals all across Long Island who are tightening their belts and doing more with less, trimming its own budget before asking the public to continue to pay this job killing tax," said Senator Marcellino.

The MTA payroll tax was imposed on all Long Island employers in 2009 by the New York City Democrats who controlled the Senate and Assembly at the time. This tax not only added to an employer's cost, it actually punished them for hiring new workers. In 2011, Senator Martins, Senator Marcellino, and the other Long Island Republican State Senators successfully got the tax repealed for approximately 80 percent of employers in the MTA region. There are still over 390,000 entities including businesses, local governments, libraries, and hospitals still paying the tax in the MTA region. Senator Martins, Senator Marcellino, and the Long Island Senate delegation continue to fight to repeal the payroll tax entirely.

The MTA, in its recently proposed 2015-19 capital plan, wants to use the tax as a guarantee on long-term financing bonds which would allow the authority to borrow money. Using

these funds in this manner would make the tax permanent and nearly impossible to reduce or eliminate.

"Trying to make the MTA payroll tax permanent is another stab in the back to business owners that are having a very tough time surviving, especially with the already high cost of doing business on Long Island. I join with Senator Martins and Senator Marcellino in calling on the MTA to abandon its plan to impose this debilitating tax on our businesses for decades to come," said Richard M. Bivone, Long Island Business Council's Nassau Chairman.

"The MTA payroll tax has cost Nassau's 64 villages millions of dollars since it was enacted, robbing local government of much needed resources to provide services such as road resurfacing and other capital improvements, youth and senior programs and other vital municipal services. The tax also costs our local business tens of millions of dollars a year and makes it hard for them to survive and expand. To local governments, the tax is just another costly mandate that Albany has imposed on our residents and businesses, making our region less competitive and causing the loss of jobs to our local economy. Senator Martins has been at the forefront of the efforts to eliminate this abusive and costly mandate, and we thank him, and support his continuing efforts to do so," said Peter I. Cavallaro, President of the Nassau County Village Officials Association and Mayor of the Village of Westbury.