



NEW YORK STATE SENATOR

Jack M. Martins

Senate Passes Senator Martins' Bill To Exempt Local Municipalities from MTA Payroll Tax

JACK M. MARTINS June 16, 2016

| ISSUE: **LOCAL GOVERNMENT**

Senator Jack M. Martins (R-7th Senate District) announced that the New York State Senate has passed legislation he sponsored that would save local suburban municipalities nearly \$20 million by exempting them from the MTA payroll tax.

"This ridiculous tax, which never should've been implemented in the first place, is straining local governments at a time when they're trying to do more with less. Exempting municipalities from paying this tax will provide them with much needed relief and save taxpayer dollars," said Senator Martins.

The MTA payroll tax was passed in 2009, before Senator Martins took office, by the New York City Democrats who controlled all three branches of state government at the time. It taxed all public, non-profit, and private employers in Nassau, Suffolk and all the other counties in the MTA region at a rate of .34% of their total payroll. Since taking office in 2011, Senator Martins has been leading the fight to repeal the MTA payroll tax. In that time, the tax has been eliminated for approximately 80 percent of the entities who were originally paying it. However, local municipalities are still responsible for paying the tax.

Senator Martins' legislation (S213A) would exempt all suburban counties, towns, villages, cities and special districts in the MTA region from paying the MTA payroll tax. This would provide them a savings of nearly \$20 million a year.

The legislation is "strongly supported" by the New York State Association of Counties, which stated in a memo of support that the combined costs to Nassau, Suffolk and other suburban counties in the MTA region from the MTA payroll tax will exceed \$10 million this year alone. The New York Conference of Mayors and Municipal Officials also noted in a support memo that the MTA payroll tax "is also adding to the already significant fiscal burdens being faced by those municipalities that are forced to pay it" and "strongly recommends that [the legislation] be approved by the State Legislature."

The legislation has been sent to the Assembly.