



NEW YORK STATE SENATOR

Carl L. Marcellino

Long Island Faces Multi-Million Dollar Hit Under Proposed MTA Payroll Tax

CARL L MARCELLINO March 17, 2009

Senator Carl L. Marcellino today reiterated his opposition to the MTA's proposed payroll tax on all Long Island employers because it will impose a costly, multi-million dollar unfunded mandate on Long Island's taxpayers.

The payroll tax described as the "mobility tax" proposal under the Ravitch Plan would impose a one-third of one percent tax on total payroll for Counties, Towns, Villages, School Districts and anyone who has a payroll including the self-employed. The payroll tax described under the Senate Majority Plan would impose a one-quarter of one percent tax on total payrolls.

Under the Ravitch Plan, for example if you lived in the Town of Hicksville; Nassau County would suffer a \$2,929,885 tax impact this year; The Town of Oyster Bay \$305,639 and the Hicksville School District would suffer tax impact of \$292,106, the total impact to the property taxpayer of Hicksville would be \$3,527,630.

Under the Senate Majority Plan, these number would be slightly reduced; Nassau County would suffer a \$2,219,610 tax impact this year; The Town of Oyster Bay \$231,545 and the Hicksville School District would suffer tax impact of \$221,292 the total impact to the property

taxpayer of Hicksville would be \$2,672,447.

In Suffolk County if you lived in the Town of Huntington; Suffolk County would suffer a \$2,941,450 tax impact this year; The Town of Huntington \$184,481 and the Half Hollow Hills School District would suffer tax impact of \$532,591, the total impact to the property taxpayer of Huntington who resides in the Half Hollow Hills School District would be \$3,658,522.

Under the Senate Majority plan Suffolk County would suffer a \$2,228,371 tax impact this year; The Town of Huntington \$139,759 and the Half Hollow Hills School District would suffer a tax impact of \$403,478, the total impact under this plan would be \$2,771,608.

“During these deteriorating fiscal times, no municipality or school district can absorb such a dramatic burden on their budgets, these multiple costs will be passed on to the already overburdened taxpayer who are paying the highest property taxes in the country,” said Senator Marcellino

Senator Marcellino noted that 87,000 Long Islanders are currently unemployed because of the failing economy. “This payroll tax could not come along at a worse time for Long Islanders. Forcing municipalities, school districts and employers to pay a payroll tax at a time when layoffs are rampant will only make a bad situation worse and do nothing to help create jobs or provide relief to local families. Instead of asking for yet another tax increase, the MTA should follow the example of the individuals all across the Island who are tightening their belts and doing more with less,” said Senator Marcellino

According to the MTA’s July 2007 Financial Plan, the Authority forecasts a record, \$960 million surplus with an expected surplus of \$377 million in 2008. The MTA acknowledged at that time that fare and toll increases were not required to balance its budget in 2009, yet they proposed a 6.5% fare and toll increase that would raise Long Island Rail Road fares by up to 8% and biannual fare increases beginning in 2010.

On August 27, 2007, New York State Comptroller Thomas DiNapoli issued a report labeling the MTA's fare increase plan "premature" and noted that the MTA achieved only 41% of the Authority's own "modest" administrative savings target for 2006.

Last fall, the New York State Comptroller's Office reported that the MTA employs 70,000 including those in non-essential and redundant positions. The MTA also employs a total of 444 public relations professionals. The recent retirement-disability scandal involving Long Island Railroad employees is further evidence that work is needed to ensure greater accountability within the MTA's budget.

"The MTA needs to find ways to trim its own budget before asking the public to pay yet another tax," concluded Senator Marcellino.