



NEW YORK STATE SENATOR

William Larkin

## Hudson Valley Senate Delegation Unveils Plan to Save Region From Job-Killing Mta Payroll Tax

WILLIAM J. LARKIN JR. June 11, 2009

### *Counties could withdraw from MTA region under plan*

Senator William J. Larkin (R,C Cornwall-on-Hudson), Senator Vincent L. Leibell (R,I,C Patterson), Senator Thomas P. Morahan (R,I,C. New City), Senator Steve Saland (R,I,C Poughkeepsie) and Senator John J. Bonacic (R,I,C Mt. Hope) today announced a plan to allow four Hudson Valley counties to withdraw from the Metropolitan Transportation Authority (MTA) region.

The Democrat-controlled Legislature recently passed an MTA bailout bill, which was promptly signed into law by the Governor. In addition to a fare increase for commuters, the bailout allows the MTA to levy a tax amounting to tens of millions of dollars on the payrolls of all businesses, not for profits, school districts and local governments in the MTA region, including Dutchess, Orange, Putnam and Rockland Counties, as a way to rescue the MTA from years of fiscal mismanagement.

The bill introduced by Larkin, Leibell, Morahan, Saland and Bonacic will allow these counties the option to withdraw from the MTA region. In order to continue to provide rail transportation to areas south of the Hudson Valley, the counties which opt to withdraw from the MTA region must formulate a transportation plan regarding the continued

provision of rail services.

“It is time for the residents of the Hudson Valley to determine their own destiny,” said Senator Larkin. “The MTA bailout bill recently passed by the Democrats is the perfect example of New York City deciding the fate and financial burden of our residents, particularly in Orange County. This legislation will finally allow the counties a mechanism to withdraw from the MTA and obtain their freedom from financing New York City commuters,” said Larkin.

“Dutchess County is being held as a revenue hostage by the MTA. Our taxpayers are forced to subsidize the irresponsible business practices of the MTA when only roughly 2% of Dutchess residents, approximately 6,000 commuters, make regular use of Metro North,” said Senator Saland. “And this tax is in addition to a number of other taxes and fees Dutchess residents already pay to support the MTA. It will now cost Dutchess County and its taxpayers in excess of \$85 million for the dubious distinction of being part of the MTA. Businesses already suffering in these tough economic times could be forced to close or cut jobs. How will schools and local governments pay this tax? By raising property taxes on already overburdened taxpayers, that’s how. It’s an outrage that we can ill afford and do not deserve,” Saland added.

Senator Leibell said, “The taxing structure set in place by Governor Paterson, Speaker Silver, and Democrat Leader Smith, three New York city democrats in a room, to fund the continued wasteful mismanagement of the MTA, is so oppressive to the citizens of the Hudson Valley as to become untenable. The communities of Putnam and Dutchess counties do not exist to subsidize lower fares for the city of New York or the continued mismanagement of their political leaders. If there is no equity, the Hudson Valley Counties should withdraw from the MTA region, and end this unfair taxation without commiserate benefit.”

"According to a MTA County-By-County cost benefit analysis released by the MTA last year, the County of Rockland and the County of Orange paid a total of \$73.63 million more to the MTA in taxes and fees than the MTA provided in services and payments to these counties," said Senator Morahan. "This value gap existed before the recent MTA bailout, and as a result of the bailout, the gap will only increase. Therefore, if the MTA wants us in their region, then the MTA must be made into a true regional service, not one in just name and tax policy."

The bill allows county legislatures to pass a resolution to withdraw from the MTA region not only by creating and submitting a transportation plan to be reviewed and approved by the New York State Commissioner of Transportation, but by application to a local court if negotiations to withdraw from the MTA cannot be successfully completed.

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