



NEW YORK STATE SENATOR

Dean G. Skelos

## Senate GOP Says Any Deficit Reduction Legislation Submitted by Governor Must Include Provision to Refund Schools for Payroll Tax

DEAN G. SKELOS October 22, 2009



### **Democrats need to live up to pledge to protect schools from tax, letter to Governor states**

New York State Senate Republican Leader Dean G. Skelos today sent a letter to Governor Paterson requesting that any deficit reduction legislation submitted to the State Legislature in the coming weeks include specific language repaying school districts in the 12-county MTA region

for their share of the new MTA payroll tax.

The \$1.5 billion tax on businesses, local governments, non-profits, hospitals, school districts and others in the MTA region was approved earlier this year by Governor Paterson and the Democrats in the Senate and Assembly without a single Republican vote.

Senate Republicans argued at the time that the payroll tax was a tax on jobs that would hurt New York's ability to recover from the national economic recession. In addition, the Senate GOP called for school districts to be exempted outright from this devastating tax rather than be forced to pay upfront with a promise they would be repaid at a later date, as the legislation was structured under a plan devised by Democrats.

Public school districts on Long Island and in the Hudson Valley have already begun paying this new tax, Skelos noted.

Skelos' letter (follows) comes on the heels of recent public comments by Governor Paterson that seemed to indicate the State would not be able to meet this financial commitment to school districts.

The letter states, in part, "Governor, school districts are owed those funds and their budgets reflect the commitment that you and your Democrat colleagues in the Assembly and the Senate made to them when you imposed this onerous new tax on jobs. In addition, these very same school districts will be forced to absorb more than half of the school aid cuts you propose in your mid-year deficit reduction plan."

The letter continues, "Therefore, on behalf of Senate Republicans, I am requesting that

any deficit reduction legislation you submit to the Legislature in the coming weeks include specific language that will hold school districts harmless from the payroll tax and keep the promise you and Democrat lawmakers who voted for this destructive new tax, made to schools in the MTA region."

**The full text of Senator Skelos' letter to Governor Paterson appears attached below in PDF form:**