



NEW YORK STATE SENATOR

Kenneth P. LaValle

Senator LaValle Calls for Repeal of Mta Tax and Speaks Out Against East End Service Cuts

KENNETH P. LAVALLE February 19, 2010

| ISSUE: **TRANSPORTATION**



“The MTA payroll tax is unfair on its face and should be repealed,” said Senator Kenneth P. LaValle. “Simply put, the MTA’s fiscal problems cannot and should not be shouldered by suburban businesses that are already shortchanged by unfair MTA budget allocations and are struggling to keep their heads above water in a bad economy.

“The MTA payroll tax is a job-killing tax that hurts businesses in suburban areas of the state, drives away jobs, and forces localities to increase property taxes. Now, in addition to creating an additional tax burden for our businesses and residents, the MTA wants to cut the little service we have on Eastern Long Island.

“I find it outrageous that it took Governor Paterson until February 2010 to acknowledge that the businesses on Long Island and other suburbs of the state should have been consulted before he approved

the MTA bailout plan. Instead, in May 2009 the Senate Democrats praised the bailout as ‘the right plan at the right time.’ (Senator Bill Perkins, Chair of the Senate Committee on Corporations, Authorities, and Commissions.) And, even with the bailout, the MTA is reportedly facing a new \$400 million deficit for 2010.

“The Governor’s latest proposal is to reduce the MTA payroll tax for suburban employers to 17 cents per \$100 and raise the minimum income requirement from \$10,000 to \$100,000. This plan doesn’t go far enough, especially in a region that is largely under served.

“The MTA needs to be stopped in its tracks. They have demonstrated poor fiscal judgment and a lack of accountability. This crisis provides an opportunity to look at how an authority that was formed in the 1950s should be meeting the needs of suburban communities in the 21st century.

“I have sponsored a measure that calls for the repeal of the MTA payroll tax in the Town of Brookhaven and the Peconic Bay Region. In addition, I have sponsored legislation in the Senate that would allow the public to consider the creation of the Peconic Bay Regional Transportation Authority to replace the MTA.

“East End residents are angry. They are paying this tax under protest and will not sit by idly waiting for another financial hit. The time has come for the MTA to realize that they must show greater respect to eastern Long Island.”