



NEW YORK STATE SENATOR

Suzi Oppenheimer

Oppenheimer Endorses Governor's Job Creation Package Bringing MTA Payroll Tax Relief and Greater State Role in Flood Mitigation

SUZI OPPENHEIMER December 8, 2011

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State Senator Suzi Oppenheimer (D-Mamaroneck) today applauded Governor Cuomo's comprehensive Job Creation package, which includes significant reductions in the MTA Payroll Tax and state flood relief assistance for individuals, small businesses, and local governments hard hit by recent flood disasters.

Senator Oppenheimer stated, "The MTA Payroll Tax needs to be eliminated for suburban counties. The \$250 million cut in the payroll tax, which is targeted to small businesses, self-employed individuals and private and parochial schools, will be of special benefit to Westchester."

Governor Cuomo proposes to reduce the MTA payroll tax by \$250 million. Specifically, the plan provides:

- Direct Tax Relief for small businesses
- Raising the exemption for self employed individuals, thereby eliminating the tax for 415,000 taxpayers
- Exempting private and parochial schools from the tax.

Under this plan, 289,000 small business taxpayers will have their MTA payroll tax obligations eliminated entirely, while an additional 5,900 small businesses will have their obligations reduced. In sum, between 65-70 percent of all MTA taxpayers will see significant relief under the Governor's plan.

Specifically, small businesses with payrolls under \$1.25 million would be exempt from the MTA payroll tax, while firms with payrolls between \$1.25 million and \$1.5 million would have their rate of taxation reduced from \$.34 per hundred dollars to \$.11 per hundred dollars. Similarly, for businesses with payrolls between \$1.5 and 1.75 million, the payroll tax is reduced from \$.34 per hundred dollars to \$.23 per hundred dollars of payroll.

Senator Oppenheimer played a key role in protecting public schools from the MTA Payroll Tax when it was first imposed, but was unable to win approval to exempt private and parochial schools from Governor Paterson at that time. The Senator added, "Governor Cuomo has taken an important step in exempting these schools from this burdensome cost and reducing the impact of the tax on small business."

This session, Senator Oppenheimer co-sponsored S.5596, which would have phased out the MTA Payroll Tax. The legislation passed the Senate on June 15, 2011, but was not acted upon by the Assembly before the session ended.

The Governor has also included \$50 million for disaster relief and flood mitigation in response to the major floods this summer. These include:

- \$9 million towards flood mitigation grants to counties
- \$21 million towards disaster relief for small businesses, multiple-dwellings, non-profit organizations and farms.

- \$20 million to be distributed on an as needed basis.

“I am especially pleased that the Governor is increasing the state’s role in support of flood mitigation projects,” said the Senator. “Given our needs in Westchester, I have long called on New York State to play a larger financial role in supporting these projects. This is an important step.”