



NEW YORK STATE SENATOR

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## Governor Cuomo Signs Law to Provide Relief for Small Businesses Through Reduction of Mta Payroll Tax

STEPHEN M. SALAND December 12, 2011

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*In Nassau County, Governor Signs Legislation to Cut Taxes For More Than 700,000 Small Businesses and Self-Employed New Yorkers*

Governor Andrew M. Cuomo today traveled to West Hempstead, Nassau County, to sign a new law that will reduce the MTA payroll tax, providing relief for more than 290,000 small businesses and more than 410,000 self-employed New Yorkers. The tax reduction is part of the Governor's comprehensive plan, passed by the legislature last week, to create jobs and cut taxes for middle class New Yorkers, and revitalize the state's economy.

"Small businesses are New York's growth engine and this tax reduction will help create jobs and get our state's economy back on track without jeopardizing funding for the MTA," Governor Cuomo said. "I thank the leadership as well as the members of the legislature for their dedication in seeing the MTA tax reduced and working to get our economy moving again."

On December 7, the state legislature passed the Governor's Middle Class Tax Cut and Job Creation legislation that reduces the MTA payroll tax on small businesses while maintaining

the necessary funding for the MTA from other sources. The tax will be eliminated for 289,000 small businesses, defined as those having an annual payroll between \$10,000 and \$1.25 million, in the MTA region. Additionally, more than 6,000 businesses with payrolls between \$1.25 and \$1.75 million will see their payroll tax cut by either one third or two-thirds. The MTA payroll tax cut will also benefit approximately 414,000 self-employed taxpayers. All elementary and secondary schools, public or private, are exempt from the payroll tax under the new law. The new law has no impact on MTA funding as the state will compensate the MTA for all revenue lost by the tax cut.

Senate Majority Leader Dean G. Skelos said, "The MTA payroll tax has been an enormous burden on businesses and today we are lifting that burden. More than 290,000 small businesses will now have a greater opportunity to invest in their businesses and invest in creating new jobs. I want to thank the members of the Senate Republican Conference, especially Senator Lee Zeldin, for keeping up the pressure to repeal this job-killing tax; and I thank Governor Cuomo for his leadership and for signing this measure into law."

Senator Lee Zeldin said, "I want to thank Governor Cuomo and my legislative colleagues for their partnership to help begin repealing the job-killing MTA Payroll Tax. The MTA Payroll Tax has been damaging our economy and restricting the growth of quality jobs in New York. Repealing this tax for all small businesses and schools, and reducing the rate for others, spurs real economic development, and helps put New York State on the path towards prosperity."

Deputy Speaker Earlene Hooper said, "Reducing the MTA payroll tax is a major win for commuters, small businesses and other taxpayers here in Nassau County. I thank Governor Cuomo for his leadership in protecting the taxpayers and creating jobs across New York State. By working together and putting politics aside, he has shown that government can work for all of the people."

