



NEW YORK STATE SENATOR

Andrew J. Lanza

Senator Lanza Joins Governor Cuomo for Bill Signing of Law That Repeals the Mta Payroll Tax for Small Businesses and Schools and Reduces Middle Class Income Tax Rates to Lowest Level in 58 Years

ANDREW J LANZA December 13, 2011

| ISSUE: **MTA (METROPOLITAN TRANSPORTATION AUTHORITY)**



Senator Andrew Lanza traveled to West Hempstead, Nassau County yesterday for the signing of a new law, which he helped to author, that will eliminate the MTA payroll tax for approximately 80 percent of all employers currently paying the tax. The bill will provide relief for more than 289,000 small businesses and 410,000 self-employed New Yorkers. Additionally, all elementary and secondary schools, both public and private, will now be completely exempt from the payroll tax.

The MTA payroll tax reduction is part of a 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. On December 7, the legislature passed the Middle Class Tax Cut and Job Creation legislation which 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 and private, are exempt from the payroll tax under the new law which has no impact on MTA funding. Senator Lanza was a part of the leadership team which negotiated this legislation.

“From the moment I debated and voted against this bill on the floor of the New York State Senate I vowed to do everything I could to repeal this unfair and punitive tax on Staten Island families, businesses and schools,” said Lanza. “I made it clear early on that I would not support any tax legislation that did not include my bill to repeal the MTA payroll tax. I kept my word and successfully scored a victory for the people of Staten Island. It was extremely gratifying to stand by Governor Cuomo yesterday in Long Island as he signed this legislation which will bring a tremendous measure of tax relief to the people of Staten Island and this state.”

The ill-conceived MTA payroll tax was signed into law by Governor David Paterson in 2009 over the objections of Senator Lanza and his Republican colleagues in the Senate.

#####