



NEW YORK STATE SENATOR

Owen H. Johnson

Tax Cuts Taking Effect April 1, 2012

OWEN H. JOHNSON March 29, 2012

| ISSUE: **TAXES**

Dear Friend:

I wanted to inform you about two tax cuts taking effect this Sunday, April 1st.

* **State Sales Tax Exemption for Clothing and Footwear**

All clothing and footwear sold for less than \$110 per item (or per pair for footwear) will be exempt from the New York State 4% sales tax starting April 1st. Additionally, most fabric, thread, yarn, buttons, snaps, hooks, zippers and similar items that are used to make or repair exempt clothing will also be eligible for the exemption. The exemption from state sales tax is in effect year-round.

* **MTA Payroll Tax Repeal**

April 1st also marks the effective date of a law to begin the repeal of the MTA payroll tax. The MTA payroll tax, which I strongly opposed, has been a burden which raised costs for businesses and discouraged job creation.

Starting Sunday, businesses with an annual payroll of less than \$1.25 million will be exempt from paying the MTA payroll tax. Businesses with a payroll of less than \$1.75 million will

have their MTA payroll tax rates reduced. This tax cut will help businesses save money that can be better spent on job creation and business development.

In this economy, where many families and businesses are struggling to make ends meet, every dollar counts. These tax cuts will help reduce costs for families and businesses and enable them to keep more of their hard-earned money.

Best regards,

Owen H. Johnson

Member of the Senate