



February 16, 2023

Hon. Andrea Stewart-Cousins
Senate Majority Leader
Room 907
Legislative Office Building
Albany, NY 12247

Dear Majority Leader Stewart-Cousins:

We respectfully request that all counties outside of New York City's five boroughs be exempt from the executive's proposal to expand the MTA Payroll Mobility Tax. Given the existing value gap outside the city (e.g. there are no subways and few MTA-operated buses) and the very fact that businesses in the city are the primary business beneficiaries of the system - riders take the MTA to get to work in New York City; riders generally do not take the MTA to get to work outside New York City - exempting non-New York City from the increase associated with this already-unjust tax is the appropriate response. Furthermore, the vast majority of revenue from this proposal will be injected into New York City Transit.

Enacted in 2009, article 23 of the tax law imposed an onerous tax on many employers within the MTA region, including community colleges, local governments, and hospitals. As we prepare a response to the Governor's payroll tax proposal, we further recommend that community colleges, hospitals and, at least outside New York City, municipalities be exempted from the total payroll tax, not just the increase. Significant public funds flow to these groups and it is as anti-taxpayer as much as it is nonsensical to siphon some of those funds to an unrelated MTA tax. It is long past time that we address this inequity. Since the enactment of the original payroll tax, the Legislature has established carve-outs for schools and, most recently, libraries.

This proposal maintains the large majority of the \$800 million in projected revenue by preserving the payroll tax increase in New York City. The estimated fiscal impact to exempt community colleges, hospitals and non-New York City municipalities is a small fraction of the realized revenue. Thus, this plan injects hundreds of millions of new dollars into the MTA while protecting the overtaxed suburbs and correcting problems in the underlying, existing tax.

Thank you for your leadership in our chamber and we truly appreciate your consideration of these requests.

Sincerely,

A handwritten signature in blue ink that reads "James Skoufis".

James Skoufis
State Senate, 42nd District

A handwritten signature in black ink that reads "Monica Martinez".

Monica Martinez
State Senate, 4th District

A handwritten signature in blue ink that reads "Michelle Hinchey".

Michelle Hinchey
State Senate, 41st District

A handwritten signature in black ink that reads "Robert Rolison".

Robert Rolison
State Senate, 39th District