



February 26, 2009

Murray: A bad tax at a bad time

With our nation's economy reeling from a recession and rising unemployment, New York is poised to adopt a payroll tax for every employee in the 12-county region serviced by the Metropolitan Transportation Association, including Nassau and Suffolk counties. The purpose of this "jobs tax" is to assist the Metropolitan Transportation Authority in overcoming its current operating deficit and to establish a capital fund. While in normal economic times this would be a bad idea, with the need for jobs so desperate right now, this new tax will be tragic.

Last year the New York State Commission on MTA Financing issued a report that recommended the adoption of a mobility tax of one-third of 1 percent of all payrolls within the MTA service area. This jobs tax together with tolls on the East Side crossings would alleviate the pressure on the MTA to increase fares. Notably absent from the report were any recommendations on how the MTA could become more cost efficient.

For businesses that are really struggling, to add a tax penalizing employment may be the difference in the decision on how many people to lay off, and will clearly discourage any type of job growth. For even a modest business with a couple of hundred employees, the tax could force the firing of an additional employee, which has a multiplier effect when that person has to cut back on their purchases, or worse, lose his home.

As for school districts, local governments and nonprofits, they are already facing severe cutbacks in tax revenue and other types of financial assistance. This jobs tax will further exacerbate their plight. For example, a school district with a payroll of \$30 million will have to pay the MTA \$90,000, the amount which could employ a teacher.

This tax is being enacted because the MTA has failed to undertake any meaningful efforts to cut down on waste and inefficiencies. This is the authority that had two sets of financial records, whose employees committed Medicaid fraud on a huge scale, has hundreds of employees in its public relations department and has numerous presidents and executives whose duties overlap.

The MTA is already subsidized by taxpayer dollars, and maybe if it had to make its operations cost effective so as to keep fares low, the MTA would operate more efficiently. New York state taxpayers should not be forced to continue to enable the MTA to conduct business as usual, and at this crucial moment to adopt a jobs tax is the height of irresponsibility.

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