

Mandate Review Request #2012110014

Note: All information below was provided by the local government/Mandate Relief Council Member requesting that a mandate be reviewed. Neither the Council nor its staff has verified the accuracy of the information provided or made any other edits.

Name of Local Government: Town of Southampton
Type of Local Government: Town
County: Suffolk

Name of Mandate: Metropolitan Commuter Transportation Mobility Tax

Type of Mandate: Statute

Citation for Mandate: Article 23 of the New York State Tax Law enacted pursuant to Chapter 25 of the 2009 session laws of the State of New York (the "MTA Act")

Description of Mandate: (a) Metropolitan commuter transportation district. The metropolitan

commuter transportation district ("MCTD") means the area of the state included in the district created and governed by section twelve hundred sixty-two of the public authorities law.

(b) Employer. Employer means an employer required by section six hundred seventy-one of this chapter to deduct and withhold tax from wages, that has a payroll expense in excess of two thousand five hundred dollars in any calendar quarter; other than

(1) any agency or instrumentality of the United States;

(2) the United Nations; or

(3) an interstate agency or public corporation created pursuant to an agreement or compact with another state or the Dominion of Canada.

(c) Payroll expense. Payroll expense means wages and compensation as defined in sections 3121 and 3231 of the internal revenue code (without regard to section 3121(a)(1) and section 3231(e)(2)(A)(i)), paid to all covered employees.

(d) Covered employee. Covered employee means an employee who is employed within the MCTD.

(e) Net earnings from self-employment. Net earnings from self-employment has the same meaning as in section 1402 of the internal revenue code.

Recommended Change: Town of Southampton hereby requests that the Mandate Relief Council, pursuant to Executive Law §666(5), review the Metropolitan Commuter Transportation Mobility Tax, or the "MTA payroll tax," to determine whether the statute "is an unfunded mandate or is otherwise unsound, unduly burdensome, or costly so as to require that it be eliminated or reformed"; and the Town Board further requests that the Mandate Relief Council and/or the State Legislature exempt local governments, as well as the Town of Southampton, from payment of said MTA payroll tax pursuant to

Article 23 of the Tax Law, not unlike state legislation adopted in 2011 which exempted payment of the tax for eligible public and private educational institutions and small businesses; and be it further

Estimated Savings from the Recommended Change to the Local Government:
\$130,801 in 2013 MTA Budget and \$132,710 in 2014 MTA budget

Estimated Statewide Savings from the Recommended Change:

Description of Methodology Used in Estimating Savings: Methodology used is budgeted payroll times .0034. And the estimated savingd is annually