



**Southampton Town Board**

116 Hampton Road  
Southampton, NY 11968

Meeting: 10/23/12 06:00 PM  
Department: Town Council  
Category: Miscellaneous  
Prepared By: Jamie Cunningham  
Initiator: Chris Nuzzi  
Sponsors: Nuzzi, Throne-Holst, Fleming, Scalera, Malone  
DOC ID: 16157

**ADOPTED**

**RESOLUTION 2012-1041**

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## **Resolution in Support of Review of the MTA Payroll Tax by the Mandate Relief Council**

WHEREAS, in June of 2011, a property tax cap was signed into law pursuant to Chapter 97 of the Laws of 2011, establishing a limit on the annual growth, or increase of property taxes levied by local governments and school districts to 2%, or the rate of inflation, whichever is less; and

WHEREAS, despite laudable goals, unfunded and underfunded mandates can increase the obligations and expenditures of local governments, and a property tax levy limit without significant mandate reform will undoubtedly lead to cuts in services and decreased infrastructure maintenance; and

WHEREAS, the cumulative impact of satisfying unfunded and underfunded mandates diverts local money from direct local government programs; and

WHEREAS, the Metropolitan Commuter Transportation Mobility Tax (the "MTA payroll tax"), enacted in 2009, was subsequently repealed in 2011 for 78.2% of the entities that were required to pay the tax in the Metropolitan Commuter Transportation District ("MCTD"), which includes the County of Suffolk; and

WHEREAS, however, this repeal did not include local municipalities such as the Town of Southampton from continuing to pay into this tax; and

WHEREAS, taxing existing jobs has proven to have had a crippling effect on the economy and new job creation within the MCTD; indeed, this tax is having a severe negative impact on economic recovery, and is discouraging growth of new business and job creation when government should be promoting these objectives; and

WHEREAS, since the MTA payroll tax was enacted in 2009, the Town of Southampton has paid \$463,055.38 in said tax to date; and

WHEREAS, as most recently addressed in Town Board Resolution No. 923 of 2012, given the negative effect the MTA payroll tax has had on jobs and economic growth, as well as the effect on property taxes, the tax should be repealed for local government entities in the MCTD, removing the burden of this onerous tax from the taxpayers, and

WHEREAS, the Town Board of the Town of Southampton recognizes that it is government's obligation to reform mandates that are unsound, unduly burdensome, or costly, and which lead to higher property taxes in New York State; now therefore be it

RESOLVED, that, pursuant to Executive Law §666, which established a Mandate Relief Council, the Town Board of the 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 be it further

RESOLVED, that 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

RESOLVED, that the Town Board fully supports the efforts of its local state legislators who voted against the creation of the MTA Payroll tax and have since sponsored legislation to repeal said tax; and be it further

RESOLVED, that a copy of this resolution shall be forwarded to the Governor, Senate Majority and Senate Minority Leaders, Assembly Speaker and the members of the Senate and Assembly representing Suffolk and Nassau Counties.

### **Financial Impact**

None

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Chris Nuzzi, Councilman
<b>SECONDER:</b>	Anna Throne-Holst, Supervisor
<b>AYES:</b>	Throne-Holst, Malone, Scalera, Fleming, Nuzzi