

Information for those libraries impacted by Metropolitan Transportation Authority (MTA) Payroll Tax.

The MTA Payroll Tax reform bill was signed into law that added private schools to public schools as exempt entities (underlined is new language). In addition, the legislation also exempts any employer (including libraries) with payrolls of \$1.25 million or less annually from the MTA Payroll Tax. There is also a graduated reduction in the MTA payroll tax for those employers with payrolls between \$1.25 and \$1.75 million per year (see legislation below). The Senate Majority has informed me that leaving libraries out of full exemptions (like private and public schools) was an oversight and that they plan to address it in the 2012-13 State Budget.

Section 1. Subsection (b) of section 800 of the tax law, as added by section 1 of part C of chapter 25 of the laws of 2009, is amended to

20 read as follows:

21 (b) Employer. Employer

means an employer required by section six

22 hundred seventy-one of this chapter to deduct and withhold tax from

23 wages, that has a payroll expense in excess of [~~two~~] three hundred

24 twelve thousand five hundred dollars in any calendar quarter; other than

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

26 (2) the United Nations; [~~or~~]

27 (3) an interstate agency or public corporation created pursuant to an

28 agreement or compact with another state or the Dominion of Canada[~~-~~]; or

29 (4) Any eligible educational institution. An "eligible educational

30 institution" shall mean any public school district, a board of cooper-

31 ative educational services, a public elementary or secondary school, a

32 school approved pursuant to article eighty-five or eighty-nine of the

33 education law to serve students with disabilities of school age, or a

34 nonpublic elementary or secondary school that provides instruction in

35 grade one or above.

36 § 2. Subsection (a) of section 801 of the tax law, as added by section

37 1 of part C of chapter 25 of the laws of 2009, is amended to read as

38 follows:

39 (a) For the sole purpose of providing an additional stable and reli-

40 able dedicated funding source for the metropolitan transportation

41 authority and its subsidiaries and affiliates to preserve, operate and

42 improve essential transit and transportation services
in the metropol-
43 itan commuter transportation district, a tax is hereby imposed
[at a
44 ~~rate of thirty-four hundredths (.34) percent of (1) the~~
~~payroll expense~~
45 ~~of every employer who engages]~~ on employers who engage in business
with-
46 in the MCTD (1) at a rate of (A) eleven hundredths (.11) percent
for
47 employers with payroll expense no greater
than three hundred seventy-
48 five thousand dollars in any calendar quarter, (B) twenty-
three
49 hundredths (.23) percent for employers with payroll expense greater
than
50 three hundred seventy-five thousand dollars
and no greater than four
51 hundred thirty-seven thousand five hundred dollars in any calendar
quar-
52 ter, and (C) thirty-four hundredths (.34) percent for employers
with
53 payroll expense in excess of four hundred thirty-
seven thousand five
54 hundred dollars in any calendar quarter, and (2) at a rate of
thirty-
S.

2
1 four hundredths (.34) percent of the net earnings from self-
employment
2 of individuals that are attributable to the MCTD if such
earnings
3 attributable to the MCTD exceed [~~ten~~] fifty thousand dollars for the
tax
4 year.
5 § 3. Any reductions in transit aid attributable to reductions in
the
6 metropolitan commuter transportation mobility tax authorized under
arti-
7 cle 23 of the tax law shall be offset through
alternative sources that
8 will be included in the state budget.
9 § 4. This act shall take effect immediately; provided however,
that
10 section one of this act and the amendments in section
two of this act
11 that concern employers shall take effect for the quarter beginning
on
12 April 1, 2012.

Michael J. Borges
Executive Director
New York Library Association
6021 State Farm Road
Guilderland, New York 12084
518-432-6952, ext. 101

518-427-1697 (fax)
director@nyla.org