S T A T E O F N E W Y O R K

4716--A

2011-2012 Regular Sessions

I N S E N A T E

April 15, 2011

Introduced by Sen. BALL -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to exempting earnings from self-employment, for-profit corporations, not-for-profit corporations, political subdivisions of the state and school districts from the metropolitan commuter transportation mobility tax; and to repeal certain provisions of such law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

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 read as follows:

(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[.];

(4) ANY FOR-PROFIT CORPORATION;

(5) ANY NOT-FOR-PROFIT CORPORATION;

(6) ANY POLITICAL SUBDIVISION OF THE STATE OR ANY MUNICIPALITY, AND EVERY AGENCY AND INSTRUMENTALITY THEREOF;

(7) ANY SCHOOL DISTRICT; OR

(8) AN INDIVIDUAL HAVING NET EARNINGS FROM SELF-EMPLOYMENT FROM ACTIVITY WITHIN THE MCTD.

S 2. Subsection (e) of section 800 of the tax law is REPEALED.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD02862-05-1

S 3. Section 801 of the tax law, as added by section 1 of part C of chapter 25 of the laws of 2009, is amended to read as follows:

S 801. Imposition of tax and rate. (a) For the sole purpose of providing an additional stable and reliable dedicated funding source for the metropolitan transportation authority and its subsidiaries and affiliates to preserve, operate and improve essential transit and transportation services in the metropolitan commuter transportation district, a tax is hereby imposed at a rate of thirty-four hundredths (.34) percent of [(1)] the payroll expense of every employer who engages in business within the MCTD [and (2) the net earnings from self-employment of individuals that are attributable to the MCTD if such earnings attributable to the MCTD exceed ten thousand dollars for the tax year].

(b)[(1) An individual having net earnings from self-employment from activity both within and without the metropolitan commuter transportation district is required to allocate and apportion such net earnings to the MCTD in the manner required for allocation and apportionment of income under article twenty-two of this chapter.

(2) In the case of individuals with earnings from self-employment, the net earnings from self employment threshold in paragraph two of subsection (a) of this section will be computed on an individual basis regardless of whether that individual filed a joint personal income tax return.

(c)] The determination of whether a covered employee is employed within the MCTD will be made by utilizing the rules applicable to the jurisdiction of employment for purposes of the statewide wage reporting system under section one hundred seventy-one-a of this chapter and substituting the MCTD for the state in that application.

S 4. Subsection (b) of section 804 of the tax law is REPEALED.

S 5. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.