STATE OF NEW YORK

7846

2025-2026 Regular Sessions

IN ASSEMBLY

April 11, 2025

Introduced by M. of A. P. CARROLL -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to the metropolitan commuter transportation district and the payroll tax

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subsection (a) 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:

(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**, excluding the counties of Orange and Rockland for the purposes of this article**.

§ 2. Subparagraph (A) of paragraph 1 of subsection (a) of section 801 of the tax law, as amended by section 1 of part Q of chapter 58 of the laws of 2023, is amended to read as follows:

(A) For employers who engage in business within the MCTD, in the counties of Dutchess, Nassau, [~~Orange,~~] Putnam, [~~Rockland,~~] Suffolk and Westchester, the tax is imposed at a rate of (i) eleven hundredths (.11) percent of the payroll expense for employers with payroll expense no greater than three hundred seventy-five thousand dollars in any calendar quarter, (ii) twenty-three hundredths (.23) percent of the payroll expense for employers with payroll expense greater than three hundred seventy-five thousand dollars and no greater than four hundred thirty-seven thousand five hundred dollars in any calendar quarter, and (iii) thirty-four hundredths (.34) percent of the payroll expense for employers with payroll expense in excess of four hundred thirty-seven thousand five hundred dollars in any calendar quarter. If the employer is a professional employer organization, as defined in section nine hundred sixteen of the labor law, the employer's tax shall be calculated by

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

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determining the payroll expense attributable to each client who has entered into a professional employer agreement with such organization and the payroll expense attributable to such organization itself, multiplying each of those payroll expense amounts by the applicable rate set forth in this paragraph and adding those products together.

§ 3. The opening paragraph of subparagraph (A) of paragraph 2 of subsection (a) of section 801 of the tax law, as amended by section 1 of part C of chapter 59 of the laws of 2024, is amended to read as follows:

For individuals, the tax is imposed at a rate of thirty-four hundredths (.34) percent of the net earnings from self-employment of individuals that are attributable to the MCTD, in the counties of Dutchess, Nassau, [~~Orange,~~] Putnam, [~~Rockland,~~] Suffolk, and Westchester, if such earnings attributable to the MCTD exceed fifty thousand dollars for the tax year.

§ 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2025.