

MTA PAYROLL TAX

In order to eliminate the Metropolitan Transportation Authority's \$1.2B deficit, the State of New York has imposed a new payroll tax on companies with employees working in the Metropolitan Commuter Transportation District (MCTD). The tax amounts to 34 cents per \$100 of gross wages/salaries for those working in the Five Boroughs of New York City (Brooklyn, Bronx, Manhattan, Queens, and Staten Island) and the suburban counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

The MTA Payroll Tax is an additional cost of doing business imposed on the RF by the State. The RF started charging this tax in May 2009 to projects as a direct cost expense that appears on project reports as "MTA Payroll Tax" under object code 5999.

When submitting new proposals or renewals to sponsors, one must include in the proposed budget a separate line-item for this tax entitled – "MTA Payroll Tax" – for all planned full-time and part-time employees. This tax does not apply to release time or summer salaries.

To calculate this tax, add up all full and part time employee salaries and then multiply the total by .0034. For example, if total full and part time salaries equal \$100,000, the MTA Payroll Tax is \$340 (.0034 x \$100,000).