



Legislation Text

File #: Res 1704-2008, **Version:** *

Res. No. 1704

Resolution calling upon the State Legislature and the Governor to support the passage of A.7812 and S.5291 which would reinstate the modest tax on non-City residents known as the “commuter tax” in the wake of the economic crisis facing New York City, so that New York City can continue to provide an adequate level of services to those who work and live in the City and can continue to serve as the economic engine for the state.

By Council Members Nelson, Avella, Barron, Brewer, Comrie, Dickens, Dilan, Felder, Fidler, Gentile, Gonzalez, James, Koppell, Liu, Mendez, Vallone Jr., Weprin, Yassky, Stewart, Gerson, Mark-Viverito, Lappin, Mealy, White Jr., Vann and Oddo

Whereas, In 1999, the State Legislature adopted, and Governor Pataki signed, the legislation repealing the commuter tax, a tax on non-residents of New York City who work in the City and use city services; and

Whereas, It was estimated that prior to the repeal, 450,000 non-residents were paying the commuter tax which provided the City with \$360 million in revenue, a large portion of which went towards city services which are utilized by the commuter population; and

Whereas, The Mayor is quoted in the *New York Daily News* as estimating that the current economic crisis has cost New York at least \$1.5 billion in projected tax revenue; and

Whereas, It is estimated that the current cost to the City of the repeal of the commuter tax averages \$525 million per a year; and

Whereas, The City of New York is the economic engine of the State, sending approximately \$11 billion more in tax revenue to the state than it gets back in state aid and services annually; and

Whereas, The commuter tax was set at a modest rate of less then \$1.50 per day and amounted to 0.45% of wage earners’ income, and 0.65% of the earnings of the self employed; and

Whereas, Other large cities impose commuter taxes and New York City’s was modest in comparison; and

Whereas, Similar bills to reinstate the commuter tax have been presented in the recent past and the current economic downturn and high New York City unemployment rate have renewed calls for action on the proposed legislation in light of the urgency of the City's economic situation; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature and the Governor to support the passage of A.7812 and S.5291 which would reinstate the modest tax on non-City residents known as the "commuter tax" in the wake of the economic crisis facing New York City, so that New York City can continue to provide an adequate level of services to those who work and live in the City and can continue to serve as the economic engine for the state.

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