

**Testimony of Conan Freud**  
**NYC Taxi & Limousine Deputy Commissioner for Finance & Administration**  
**INTRO 643, sponsored by CM Recchia and Koo by the request of the Mayor, IN**  
**RELATION TO AUTHORIZING THE TAXI AND LIMOUSINE COMMISSION TO**  
**COLLECT THE COMMERCIAL MOTOR VEHICLE TAX IMPOSED ON MEDALLION**  
**TAXICABS AND ON CERTAIN OTHER MOTOR VEHICLES FOR THE**  
**TRANSPORTATION OF PASSENGERS**

**City Council Finance Committee**  
**December 8, 2011**

Good Morning, Chairman Recchia and the members of the City Council Committee on Finance. I am Conan Freud, Deputy Commissioner for Finance and Administration for the Taxi and Limousine Commission. Thank you for the opportunity to speak to you today regarding Intro 643 which will permit the Commission to collect the commercial motor vehicle tax (CMVT) on all medallion taxicabs and on other vehicles licensed by TLC that are not registered in New York State. The Taxi and Limousine Commission strongly supports this proposed legislation, and is grateful to Council Members Recchia and Koo for introducing and sponsoring the legislation.

Currently the CMVT is collected for vehicles licensed by the Commission by either the Department of Finance (in the case of medallion taxicabs) or the NYS Department of Motor Vehicles (for other types of vehicles).

Under the proposed law, collection of the tax for medallion taxicabs will be transferred from the Department of Finance to the TLC. In addition, the law would authorize the Commission to collect the tax from other licensed vehicles for which the tax is not currently collected by the Department of Motor Vehicles. TLC licensees which currently pay the tax through the Department of Motor Vehicles would not be affected.

The City believes that this transfer has several benefits for both the City and taxpayers. Because the Taxi and Limousine Commission already regulates and licenses medallion taxicabs and other for-hire vehicles for operation on city streets, its licensees are all liable for the tax. Furthermore, because the Commission also manages the licensing process and fee collection for its licensees, the Commission is

well positioned to efficiently collect the tax as part of its licensing process. At the same time, this change will benefit taxpayers which are medallion taxicabs by reducing their necessary points of contact; rather than having to go to Finance to pay the tax and then the TLC to renew their licenses, they will now have to visit the our licensing department in Long Island City to take care of both.

In addition, the City believes that the law will enable it to collect tax from road-users that may not be currently paying the tax. As mentioned earlier, the Department of Motor Vehicles collects the tax upon registration of the vehicles other than taxicabs, but it does so only for those vehicles registered in-state. A significant number of the TLC's licensees have addresses outside the City and outside the State and the City believes that some of these licensees, who have licenses authorizing them to use City streets, may not have previously been identified as taxpayers subject to the tax. As a result, some of these licensees may not have paying the Commercial Motor Vehicle Tax. The City believes that the Commission can effectively identify and collect the tax from these licensees. Given that the Commission requires all of its licensees to renew their licenses every two years, it can easily identify those licensees owing the tax upon application or renewal. It can also require payment and collect the tax as a condition for licensure. This legislation will streamline a City function and maximize revenues from this tax.

This concludes my testimony in support of Intro 643. I would like to thank you for the opportunity to testify today about a key priority for the TLC and our City. At this time, I would be happy to answer any questions you may have.