



Legislation Text

File #: Res 1458-2000, **Version:** *

Res. No. 1458

Resolution calling upon the State Legislature and the Governor to reinstate the modest charge to non-residents who work in the City for their use of City services, also known as the "commuter tax", the elimination of which has cost the City of New York one billion dollars to date.

By the Speaker (Council Member Vallone) and Council Members Berman, Eisland, Espada, Fisher, Freed, Henry, Marshall, Michels, Perkins, Spigner, Warden, the Public Advocate (Mr. Green), Abel and Golden; also Council Members DiBrienza, Foster, Harrison, Koslowitz, Leffler, Linares, O'Donovan, Quinn, Rivera and Rodriguez

Whereas, In 1999, the State Legislature adopted, and the Governor signed, 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, This tax was set at a modest rate of less than one-half of one percent of wages earned in the City; and

Whereas, Almost every City in the country that has a local income tax also has a non-resident income tax, and the State of New York has a non-resident income tax as well; and

Whereas, The City of New York is the "central business district" for the entire State, sending \$2.5 billion more in tax revenue to the State than it gets back in State aid, and is burdened with providing a large array of services and maintaining a vast infrastructure for the approximately 800,000 commuters who work here; and

Whereas, The average salary of commuters paying the tax - the daily cost of which was less than the price of a subway token - was \$88,000 per year; and

Whereas, The cost to the City of New York of the repeal of the commuter tax averages \$500 million per year; and

Whereas, The one billion dollars in lost revenue from the repeal of the commuter tax to date can be viewed in practical terms as having cost the City the ability to build 33 new schools for our City's children or pay the entire debt service on a new Second Avenue Subway; and

Whereas, Both the State Special Deputy Comptroller for New York City charged with monitoring the City's finances, as well as the City Comptroller, have warned of growing out-year budget gaps, and these out-year gaps are greatly exacerbated by the repeal of the commuter tax; now therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature and the Governor to reinstate the modest charge to non-residents who work in the City for their use of City services, also known as the "commuter tax", the elimination of which has cost the City of New York one billion dollars to date.

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