



MEMO OF SUPPORT

[A2895 \(González-Rojas\) / S1205 \(Gounardes\)](#)

Remits Internet Sales Tax Funds Directly to the MTA Without Appropriation

February 1, 2023

TITLE OF BILL

An act to amend the state finance law, the public authorities law and the tax law, in relation to directing payment of certain taxes into the central business district tolling capital lockbox fund to be made without appropriation.

SUMMARY OF PROVISIONS

Section 1 amends section 4 of the state finance law by adding a new subdivision 14 to provide that revenue from the internet sales tax imposed pursuant to subparagraph (ii) of paragraph five of subdivision c) of section twelve hundred sixty-one of the tax law, paid in accordance with section five hundred fifty-three-j of the public authorities law shall be made remitted to the MTA without appropriation.

Section 2 amends subdivision 1 of section 553-j of the public authorities law to provide that funds from the internet sales tax pursuant to subparagraph (ii) of paragraph five of subdivision (c) of section twelve hundred sixty-one of the tax law shall be provided to the central business district tolling capital lockbox fund without appropriation.

Section 3 amends subparagraph (ii) of paragraph five of subdivision (c) of section twelve hundred sixty-one of the tax law, as amended by section 2 of part RR of chapter 57 of 6 the laws of 2022, to provide that internet sales tax funds shall be deposited monthly in equal installments without appropriation.

Section 4 amends subparagraph (ii) of paragraph 5 of subdivision (c) of section 1261 of the tax law, as added by section 6-b of part G of chapter 59 of the laws of 2019, to provide that internet sales tax funds shall be deposited monthly in equal installments without appropriation.

Section 5 sets the effective date.

STATEMENT OF SUPPORT

Due to ridership declines, as shown in our November 2022 report, [Ridership Down](#), the Metropolitan Transportation Authority (MTA) is currently facing an operating budget crisis due to lingering ridership changes from the COVID-19 pandemic and the MTA's historically high debt loads.

While the state looks for new revenue sources for the MTA, it is also important for its existing funding to be safeguarded and delivered in a timely manner. Remitting dedicated funding directly to the MTA – not through the annual budget process where it has been subject to [raids from the executive](#) – will increase the MTA's financial stability and improve its credit ratings.

Many existing state dedicated funds are already provided to the MTA without appropriation. The payroll mobility tax (PMT), originally created in 2009, was newly provided without appropriation in 2018. At that time, the [State Division of the Budget said](#), "Taking the PMT revenues off-budget will also provide credit enhancement for the MTA to lower capital financing costs as the revenues will flow more frequently, and will not be subject to legislative appropriation."

We urge the Legislature to pass this legislation, and for the Governor to sign it.