



Testimony to MTA Board Finance Committee on Emerging New York State Budget Agreement

*NYC Alone Should Not Pay New Payroll Taxes
Bus Pilot Needs Funding and Automated Traffic Enforcement*

April 24, 2023

Good afternoon. I am Rachael Fauss, Senior Policy Advisor for Reinvent Albany. We advocate for more transparent and accountable New York government, including for authorities like the MTA.

[New reports](#) indicate that a deal on MTA funding in the state budget is emerging. While it appears that all parties intend to fill the MTA's deficit, it is unclear whether funding will be provided for service expansions or avoiding fare hikes, as requested by our fellow advocates at Riders Alliance. Also unknown is what policy changes will be included. In particular, we support greater capital spending transparency through the capital program dashboard ([S3545/A4043, Ramos/Carroll](#)), which was included by the Senate.

We have the following thoughts in response to the potential proposal floated in recent news reports:

- **Increased Payroll Mobility Tax (PMT) for only NYC employers** – We supported the Governor's proposed increase of the PMT for the entire MTA region because it would put the MTA on stable, solid ground and be remitted directly to the MTA. We opposed the Senate's proposal to exempt certain employers in Hudson Valley counties from the existing PMT. Attempts to exempt all employers outside of NYC from a new increase are similarly problematic. Employers outside of New York City in the MTA region are part of the same regional economy that depends on a healthy MTA, and have a shared responsibility with all MTA stakeholders to make the MTA whole. NYC taxpayers [already pay an outsized amount of taxes](#) to the MTA, according to Citizens Budget Commission research.
- **One-shot payments from the state** – These payments would likely come from the state General Fund and require yearly appropriation. When funding is not dedicated and remitted directly, or part of established programs like 18-b, it is more vulnerable to raids or cuts during the budget process. One-shot funding is only smart as a bridge to new, recurring MTA dedicated taxes.

- **Free bus pilot** – Any new pilots for free bus service are best complimented by inclusion of automated traffic enforcement mechanisms to improve bus speeds. Additionally, sufficient state funding should be provided to offset all costs to the MTA. A pilot should be accompanied by a public report from MTA regarding implementation of the program that includes an evaluation with data on ridership and costs – direct and indirect.

Thank you for your consideration.