



MTA TAXPAYER ABUSE

THE STAKES ARE HIGH TO DEFEAT THE MTA PAYROLL TAX

The prosecution of this lawsuit will be an uphill struggle. The stakes are high for both sides. \$1.8 billion per year is at stake. There is no sunset clause for this tax. This means, unless nullified by winning this lawsuit, it will go on forever and most likely increase. Some legislators have gratuitously introduced legislation to repeal the payroll tax. It is highly unlikely to be successful, since Governor Paterson is certain to veto it. And even post the November 2010 election, independent of who is governor, it is unlikely the repeal could pass, since the assembly voted it in with a 60% majority. The bottom line is that if you want to see the MTA payroll abolished, your best chance is for this lawsuit to be successful.

The political winds are currently against us. The legislators, other politicians and special interest groups that support this tax are some of the most powerful people in New York State, mainly centered in New York City. The NYC political powers want to maintain the payroll tax since **77%** of the net proceeds of the tax goes to subsidize NYC MTA operations. For the 7 suburban counties that pay the tax, that's a lot of **taxation without representation**. The political winds that are now against us can be reversed if taxpayers and those elected officials who had the courage to vote against the MTA Payroll Tax, pull together and do what has to be done to win this lawsuit. The six causes of action in the lawsuit were researched extensively and reviewed by experts with NYS legislative experience. Four of the causes deal with clear cut violations of the NYS constitution. However, that does not guarantee a win. This is New York State, which is not immune from a political judicial decision.

In defending this lawsuit, the MTA is once again using poor fiscal judgment. Instead of using the NYS Attorney General, it is using Nixon Peabody, one of the oldest blue chip, extremely expensive NYC law firms that is part of the political establishment. It is pathetically ironic that NYS taxpayers will be paying the legal bill to defend what is clearly an illegal unconstitutional tax that every employer in the MCTD hates to pay and receives no benefit.

If the tax is upheld, the legislators and other politicians who supported this tax will be emboldened and more taxes will be forced upon us. If the tax is defeated it could trigger a sorely needed TAX REVOLT whereby only legislators who support taxpayer issues are elected. Legislators who support special interest groups at the expense of taxpayers will be defeated. If the tax is nullified, the MTA will either go bankrupt or be forced to clean up its act. NYS is the top two states in terms of total taxation. Taxes was stated as one of the largest contributing factors as to why NYS is the first in business failures and last in business startups.

The MTA is every taxpayer's issue, not just employers. Just look around and ask why is gas \$.50 per gallon more expensive in New York than Virginia. Why does it cost \$11 for a round trip on the Throgs Neck Bridge? Approximately 1/3 of your cell phone bill goes to various taxes. Car registration now cost \$80 per year for an average car. There are a total of nine different taxes paid to the MTA including a mortgage tax. And for those who are forced to use their services, the fees for the bridges, tunnels and trains are absurdly overpriced because their cost of operations are outrageously high.

It doesn't have to be like this. The MTA, due to its complete fiscal irresponsibility and its other failed business model attributes, is the best example of New York State government at its absolute worst. The time for NYS taxpayers to take a stand and fight back is now. Enough is enough!!

We need financial help. MTA Taxpayer Abuse Inc. is registered to be a 501C3 (not for profit). Any contribution is greatly appreciated. Please make checks payable to MTA Taxpayer Abuse. It is hard to imagine a better return on investment than seeing this lawsuit victorious.

Contact: William Schoolman
631-567-2524
Website: www.mtataxpayerabuse.org