

NEW COMMUTER TAX APPLIES TO NY CHURCHES

By Lawrence McGaughey, Conference Chancellor

A new employer tax has been adopted effective March 1, 2009. Known as the metropolitan commuter transportation mobility tax (“commuter tax”), every person who received a W-2 is subject to the commuter tax. The tax must be paid by the employer (namely, the local church) without salary deduction. There is no exemption from the tax for churches or other charities.

Churches located in the commuter tax district must comply which consists of Suffolk, Nassau, Dutchess, Orange, Putnam, Rockland, Westchester counties and the 5 boroughs of New York City. The first estimated tax payment (for the period March 1 – September 30, 2009 is due November 2, 2009. Subsequent quarterly payments are due on January 31, April 30, July 31 and October 31 of each year.

To be liable for the tax, a church must have a total gross payroll (including all persons receiving W-2 statements from the church) that exceeds \$2,500 per calendar quarter. Once a church becomes liable, it remains liable thereafter even if the quarterly payroll declines below \$2,500. The tax is based on the full amount of the payroll regardless whether some employees may work partly outside the tax district. However, if an employee’s services are entirely outside the district, the tax does not apply.

Information & Forms On Line

More information, including information on how to determine employer liability for the tax, which are covered employees and how much is due with the first payment, as well as copies of forms, go to www.nystax.gov and click on: Metropolitan Commuter Transportation Mobility Tax. Information may also be obtained by calling the MCT Mobility Tax Information Center at 518-485-2392 or 866-579-2498.

Note: The information presented here is informational only, and no guarantee is made that the NYS Tax Department will interpret or apply the tax has described above.

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