Queens Civic Congress

P.O. Box 238, Flushing, NY 11363 (718) 343-6779 fax: (718) 225-2818
www.queenscivicongress.org queenscivicongr@aol.com

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Contact:
Corey Bearak
(718) 343-6779

Queens Civic Congress MAC attack: Use Sales Tax extension billions for MTA

Queens Civic Congress calls on NYC to engage New Yorkers in a conversation on how to apply the extended Sales Tax that paid for MAC bonds to Transit, announced QCC President Corey Bearak. With the city short of revenue to fund mass transit Queens Civic Congress recommends the starting the discussion around a reallocation of the 1% Sale Tax extension revenue to transit projects, perhaps "Pay-As-You-Go" transit projects submitted by the MTA to the City and approved by the City Council as part of the City's overall budget.

"Why not apply 100% of the projected and actual proceeds from the extension of the expiring one percent Sales Tax that reimbursed Municipal Assistance Corporation bonds to cover "pay-as-you-go" MTA capital projects that benefit the City," explained Bearak. "This funding can include covering any existing NYC contribution to the MTA for capital projects, but not more than 25% of the proceeds may be applied to any one project, including its phases. This proposal includes Council approval of all projects funded in whole or in part by this revenue."

"Set to sunset with its task finished, the city should not allocate this tax provision revenue to other purposes without public discussion," added Bearak. "With Mayor's Executive Budget including this revenue, this proposed use as outlined by Queens Civic Congress offers a sound basis for that needed conversation. The State Legislature should amend the enabling legislation to require future use of this revenue consistent with the Queens Civic Congress proposal. If the City does not agree end its use as general revenue, Queens Civic Congress calls on the State Legislature to sunset this tax extension no later than December 31, 2008."

"In essence this Queens Civic Congress proposal envisions the City increasing its allocation to the MTA in that both the current and previous Mayors cut the City contribution substantially," stated QCC transportation chair James Trent. "The big difference this time involves a new exception that the funding would be dedicated. This would be in addition to the other broad-based revenue proposals that Queens Civic Congress and others propose."

"While its tax repeal could have gone a long way to attracting more retail sales in the City and made the City a cheaper place to shop than Nassau and Suffolk, and maybe Westchester," explained Trent, "only the need to replace previous rescissions in City revenue devoted to the MTA justifies its continuance. "The tax is worth over $1 billion a year which is considerably more than would have been realized from congestion pricing. Instead, the tax will go into the general treasury. This is an outrage. I think the public should demand action on this. Either rescind the tax or use it for buses and subways."

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