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**DAILY NEWS**

## Spare charities from the new MTA mobility tax

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If you run a [New York](#) nonprofit today as I do, you're between a rock and a hard place. Just when you exhale, having avoided layoffs in the worst economy in memory, your budget springs a new leak: an MTA payroll tax hike.

Yes, the tax drafted last year to help bail out the [Metropolitan Transportation Authority](#), which imposed a 0.34% payroll tax on businesses in the region starting last September, applies to for-profit businesses and charities alike. And now, with a yawning budget gap, [Gov. Paterson](#) and the Legislature are considering hiking the tax further.

Why were New York's nonprofits drafted to bail out the MTA? Why risk the jobs of hardworking home health aides, meals on wheels delivery people, job counselors and visiting nurses so their employers could meet new payroll tax obligations?

Beats me. This tax could not have come at a worse time for the city's charitable community. Since the Great Recession began, more and more New Yorkers have turned to nonprofits - food banks, employment counselors, etc. - for assistance. Meanwhile, private donations and government funding sources are shrinking.

Targeting nonprofits to shore up the MTA is a strange, cruel form of recycling. Our budgets come from New Yorkers' tax dollars. Giving us funds, then demanding some of them back back to patch holes in the MTA budget, simply creates new, wasteful administrative costs.

Most donors to New York's nonprofits would be appalled to learn that - without their consent or knowledge - even a small percentage of their personal donations to house the homeless, feed the hungry, help crime victims and heal the sick is being used instead to bail out the MTA. Foundations don't even **allow** their grants to offset such costs.

Nonprofits are tax-exempt for a reason. Our dollars provide services, not dividends. Oftentimes, funds reimbursed by government for nonprofit social services are set artificially, which means nonprofits are never fully paid back the real cost it takes to keep a service running. Nonprofits must absorb all additional costs without a nickel more for our services.

So where does this leave us when taxes arbitrarily rise? We're forced to cut more jobs, services or both. Then we look like the bad guys. The [YMCA](#), for example, owes New York State \$200,000 just for this year's MTA payroll tax. That's seven salaries. That's seven fewer people providing much-needed community services to families, individuals and children.

This isn't hurting only us and the people we serve; it's hitting the larger economy of the city. Nonprofit organizations employ nearly half a million [New York City](#) workers, just more than 15% of the total, according to the [Fiscal Policy Institute](#). And from 2000 to 2007, the number of minority-group workers in this sector rose more than 30% - when elsewhere in the city, minority employment grew by less than 3%.

Look, like most New Yorkers, I love mass transit. Our buses, subways and the people who operate them make New York succeed for all of us who live, learn and work here. But you can't tell us there's no choice besides a higher payroll tax on nonprofits and a fare hike to bail out the MTA. So please, [Albany](#): Pull out your spreadsheets and try again.

[Stoller](#) is executive director of the [Human Services Council of New York City](#), a nonprofit that provides assistance to social service organizations throughout the city.

Because of

the economic downturn, we're already being forced to do

more with less

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BY MICHAEL STOLLER