

# Geller Tax Advisory Services

**Tax Alert:**

**New York Metropolitan Commuter Transportation Mobility Tax Reminder**

To Our Valued Clients:

Effective March 1, 2009, New York State enacted the Metropolitan Commuter Transportation Mobility Tax ("MCTMT"), which subjects employers and self-employed individuals (including partners and members of limited liability companies treated as partnerships for tax purposes) engaging in business in the Metropolitan Commuter Transportation District ("MCTD") to a tax on employee compensation and net earnings from self-employment. The MCTD includes Manhattan, Kings (Brooklyn), Bronx, Queens, Richmond (Staten Island), Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess and Westchester counties. The tax is imposed at a rate of .34%.

**Employers**

Employers are responsible to pay the .34% tax on wages and compensation paid to all "covered" employees working in the MCTD, provided wages and compensation exceed \$2,500 for the quarter. The tax may not be deducted from employees' wages. An employee is "covered" if the employee performs services predominantly in the MCTD, is based in the MCTD, is directed and controlled from within the MCTD, or is a resident of the MCTD and performs some services in the MCTD.

The tax is reported on the last day of the month following the end of the calendar quarter. For 2009, tax for the period March 1, 2009 through September 30, 2009 is due on November 2, 2009. The tax is reported on Form MTA-305. Electronic reporting and payment through Web File is also an option.

Employers using Promptax to report withholding may pay the MCTMT using Promptax.

**Self-Employed Individuals, Partners and LLC Members**

The tax also applies to individuals, partners in a partnership and members of limited liability companies treated as partnerships who have net earnings from self-employment allocated to the MCTD in excess of \$10,000. Estimated payments of MCTMT are required on April 30, July 31, and October 31 of the current year and on January 31 of the following year. An annual reconciliation is due on April 30 following the close of the calendar year.

Partnerships and limited liability companies with nonresident partners must pay estimated MCTMT on behalf of their nonresident partners/members. These payments are reported on Form MTA-405.

For 2009, the initial estimated payment, covering the MCTMT on net earnings from self-employment from March 1 through September 30, is due on November 2. Individuals report estimated MCTMT on Form MTA-5. The annual MCTMT is reported on Form MTA-6.

**About Geller & Company**

Geller & Company is a strategic, financial advisory firm whose services include wealth management and family office services, outsourced CFO capabilities, tax, accounting, and private equity fund administration. Geller has expertise within various industries including financial services, technology, manufacturing, and not-for-profit. Headquartered in Manhattan, Geller employs approximately 400 people.

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