

Dear X,

On behalf of [organization] I am writing to urge you to support the passage of S.8831/ A.11051. This bill addresses the pressing need to amend the New York State Tax Law to correct an unintended new tax which was inadvertently created by recent changes made in the Federal Internal Revenue Code. Without such a correction, my organization, which serves the community [insert brief summary of org] will be subject to paying new taxes that will divert funds from critical programs.

The federal Tax Cut and Jobs Act of 2017 imposes federal Unrelated Business Income Tax (UBIT) on any amount a nonprofit employer has “paid or incurred” for commuter benefits such as a Buffalo NFTA Metro Pass, NYC Metrocard, Rochester RTS Pass, or employee parking. New York law imposes a state UBIT whenever federal law does so. As a result, New York will automatically follow the new federal statute, imposing an additional 9 percent tax effective January 1, 2018. My nonprofit will have to pay both the federal tax and the 9 percent New York tax on employee commuter benefits, a significant – and unbudgeted – burden that will result in the diversion of services to the community.

The State should not impose this new unintentional tax and this bill will decouple the federal and state laws to allow nonprofits to subtract these costs from federal unrelated business taxable income. This tax was not considered in the FY2018-19 budget, and with more than 1.3 million nonprofit employees statewide, this tax would divert millions of dollars from this important sector and the programs New Yorkers from all walks of life rely on for their wellbeing. It is vital that this legislation be passed in this session and we appreciate your support of bill S.8831 / A.11051.

Sincerely,

Name