

Dear Principal Investigator,

In order to eliminate the Metropolitan Transportation Authority's \$1.2B deficit, the State of New York has imposed, retroactive to March 1, 2009, a payroll tax on companies with employees working in the Metropolitan Commuter Transportation District (MCTD) area. The tax amounts to 34 cents per \$100 of gross wages/ salaries for those working in the Five Boroughs of New York City (Brooklyn, Bronx, Manhattan, Queens, and Staten Island) and the suburban counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

The MTA payroll tax is an additional cost of doing business imposed on the RF by the State, which we must pass along to your project(s) as a direct expense. Because we are required to begin paying this retroactive tax immediately, your project account will be debited for these expenses beginning with your May statements. This expense will appear as "MTA Payroll Tax" as an additional expense category of your project reports. You will see three separate charges on the May statements; one for the tax imposed on your May 2009 payroll cost and two separate charges for the additional retroactive tax for March and April payrolls.

When you submit new proposals or renewals to sponsors, you should include in your proposed budgets a separate line item for this new tax for each planned full- and part-time employee. As we learn more about this new situation, we will keep you informed.

Thank you for your cooperation.

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