



NATIONAL FEDERATION OF INDEPENDENT BUSINESS

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Oppose

May 12, 2017

MEMORANDUM IN OPPOSITION TO

AN ACT to amend the public health law and the state finance law, in relation to establishing New York Health

A.4738 (Gottfried)/ S.4840 (Rivera)
Full Assembly

The National Federation of Independent Business, New York's leading small business advocacy association, opposes this bill that would create New York Health to provide a socialized health care payment system.

This legislation proposes the financing of universal access to health care through a newly established New York Health Trust Fund. The fund would be supported by two new taxes:

(1) a graduated payroll tax (80% paid by employers; 20% paid by employees; and 100% paid by self-employed); and (2) non-payroll assessments on personal income greater than \$25,000. This would amount to a graduated tax from 9 percent on incomes between \$25,000 to \$50,000 to a 16 percent tax on incomes over \$250,000.

These financing mechanisms ignore the fact that New York continues to be cemented as one of the highest taxed states and has the worst business tax climate in the nation. According to recent analysis by the Empire Center for Public Policy, this proposal would cost \$92 billion in new tax revenue to replace lost premium payments, cover out-of-pocket spending, finance the takeover of Medicare Part B premiums, and end Medicaid contributions by counties.

This also is flawed legislation because it includes no cost containment provisions. Although health care resources are limited, this bill encourages consumers to overuse services they perceive to be "free." The legislation allows for uncapped services and states that assessments will be set "at levels anticipated to produce revenue to finance the program," which will result in runaway costs shouldered by businesses and subsidized by those in the upper-tax bracket.

This bill will increase the tax burden for every working New Yorker and make the state a less attractive place to operate a business.

It is for these reasons that NFIB opposes this legislation.