



MEMORANDUM IN OPPOSITION

S.5474 (Rivera) / A.6058 (Gottfried)

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

The Food Industry Alliance of New York State, Inc., the premier trade association representing the full spectrum of the grocery industry, strongly opposes this legislation which would create a universal single payer health plan – New York Health – to provide socialized health care for every New York state resident.

This legislation would create a single state-run and state-financed health plan and replaces all existing private insurance plans or supplement existing government plans, such as Medicare and Medicaid. This legislation makes the promise to dramatically reduce costs for employers, taxpayers and individuals. A promise which is blatantly false.

While the sponsor’s memo fails to provide any true fiscal projection of this legislation, an analysis by the RAND Corporation, commissioned by the New York State Health Foundation, projected that the state would need to hike taxes by \$139 billion, or 156 percent of total state revenues. RAND also projected potential tax rates and brackets that would roughly triple the state’s top marginal tax on income – to more than 30 percent – and make it an outlier compared to the rest of the country.

Further, on top of all existing state and federal healthcare funding, this legislation would require two new specific taxes. One on payroll income and the another on non-payroll income. This bill fails to provide any specific detail on tax brackets and states that those important details would be “determined later”. Additionally, the legislation does maintain that employers would be responsible for eighty percent of the tax on payroll income, leaving employees responsible for the remaining twenty percent.

This does not add up to lower costs for employers, taxpayers and individuals. The cost of this legislation alone is nearly the equivalent to the current state fiscal plan. This legislation has no cost containment provisions and only dramatically increases taxes on all New Yorkers. Further, with New York’s fiscal and economic present and future in flux amid the ongoing global health crisis, radically transforming the entire state’s healthcare delivery system and imposing massive tax increases on businesses is misguided.

For these reasons, we strongly oppose this legislation.

Respectfully submitted,

Food Industry Alliance of New York State, Inc.