



NEW YORK STATE SENATOR

Lee M. Zeldin

## Nassau-Suffolk Hospital Council Supports MTA Tax Repeal Legislation

LEE M. ZELDIN June 14, 2011

| ISSUE: **PAYROLL TAX**

Albany, NY- Senator Lee M. Zeldin (R, C, I –Shirley) and Senator Jack Martins (R-Mineola) announced that the Nassau-Suffolk Hospital Council is supporting their MTA Payroll Tax Repeal legislation (S.5596/A.8193).

**The Nassau-Suffolk Hospital Council released the following statement:**

**The metropolitan commuter transportation mobility tax (“MTA tax”) of a .34 percent of a payroll is a onerous burden on Long Island hospitals and health systems, costing more than \$10 Million this year. The Nassau Suffolk Hospital Council strongly supports this bill, which would phase out the MTA tax for all employers on Long Island by 2014.**

**In addition to being burdensome, the MTA tax is unfair by design. It has been equally applied to New York City and the seven suburban counties, despite the broad disparity in levels of access and usage in the two regions. Many of the counties receive little service from the Long Island Railroad or Metro North, and the residents of those counties who utilize those commuter rail lines do so to commute to New York City, not to businesses located within the suburban regions. Long Island and Hudson Valley businesses have been required to subsidize as transit system that provides them with limited or no benefits.**

**Furthermore, not-for-profit institutions like hospitals—which are by definition supposed to be exempt from taxes—should never have been subject to the MTA tax. As important community institutions who themselves struggle with insufficient funding to maintain and modernize their basic infrastructure, our member hospitals are sympathetic to the needs of the MTA. However, taxing**

**hospitals only shifts the problem from one struggling sector to another. Because the provision of health care is, by necessity, very labor intensive, hospitals are disproportionately impacted by this tax.**

**S.5596/A.8193 would right these wrongs, but do so in a responsible manner that will allow the MTA to better manage the reduction in revenue. These bills would allow appropriately create two tiers for the purposes of applying the tax, a New York City tier (“Region One”) and a suburban tier (“Region Two”). It would reduce the tax on employers in Region Two to 0.23 percent in 2012 and gradually eliminate the tax by January 1, 2014. The bill would also gradually reduce the Region one payroll tax to 0.21 percent by 2014.**

**For the reasons cited above the Nassau-Suffolk Hospital Council strongly supports these proposals.**

“Hospitals are in the business of providing vital health services to the public. They should have never been included in this job-killing tax in the first place. This tax places a heavy and unfair burden on our health care providers. I welcome Nassau-Suffolk Hospital Council’s support and I am proud that our legislation has been creating a groundswell of support for its passage,” said Senator Zeldin.

The Nassau-Suffolk Hospital Council support adds to a growing list of endorsements the legislation has received in the past week since being announced. Endorsements have also come from Tax Relief Now, New York State Catholic Conference, The Empire State Chapter of the Associated Builders and Contractors, the National Federation of Independent Businesses, Business Council of New York State, Inc., Conservative Party of New York State, Long Island Business News, New York Farm Bureau, GrowPAC, restructuring expert Harry Wilson, Long Island Cares, Inc., Long Island Business Council, Hauppauge Industrial Association, and several Chambers of Commerce.