



*Representing the advocacy interests
of hospitals and health systems on Long Island and in the Hudson Valley*

SUPPORT

MEMORANDUM

May 19, 2017

TO: Senate Majority Leader John Flanagan
Independent Democratic Conference Chairman Jeffrey Klein
Members, Long Island Senate Delegation of the New York State Legislature
Members, Hudson Valley Senate Delegation of the New York State Legislature

FROM: Kevin W. Dahill, President and CEO

RE: S. 2634 (Lanza) – On 2nd Report Calendar
A.6533 (Murray) – Referred to Ways and Means

The Suburban Hospital Alliance of New York State, representing 51 hospitals and health systems on Long Island and in the Hudson Valley, supports A.6533/S. 2634, legislation to exempt not-for-profit hospitals from the metropolitan commuter transportation mobility tax (“MTA tax”). This tax is an unfair burden on hospitals in the suburban regions.

Not-for-profit institutions like hospitals — which by definition are supposed to be exempt from taxes — should never have been subject to the MTA payroll tax in the first place. As important community institutions, many of which struggle with maintaining and modernizing their basic infrastructure, our member hospitals are sympathetic to the needs of the Metropolitan Transportation Authority. However, taxing hospitals only shifts the problem from one financially distressed sector to another. Because the provision of health care is, by necessity, very labor-intensive, hospitals are disproportionately impacted by this tax.

Furthermore, the MTA tax is unfair by design. It has been unreasonably applied to the seven suburban counties unilaterally, despite the broad disparity between levels of access and usage between New York City and the suburbs. Many of the counties receive little service from the Long Island Rail Road or Metro-North Railroad, and the residents of those counties who utilize the commuter rails 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 a transit system that provides them with limited or no benefits.

For these reasons, the Suburban Hospital Alliance of New York State urges your support for A.6533/S. 2634.