



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

SUPPORT

MEMORANDUM

February 26, 2018

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

FROM: Kevin W. Dahill, President and CEO

RE: S. 2634 (Lanza) – Referred to Finance Committee
A.6533 (Cusick) – 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 imposes an unfair burden on hospitals in the suburban regions.

Not-for-profit institutions, like hospitals, are by definition tax-exempt and 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. Most of the counties in which our member hospitals operate 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.