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Testimony to the New York State Senate and Assembly Health Committees Regarding the New York Health Act

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Testimony delivered by Greg Biryla, NFIB New York State Director

Thank you very much to Chairmen Rivera and Gottfried for inviting our organization to share our perspective and the perspective of our members on this important legislation.

I am Greg Biryla, New York State director for NFIB, the nation's and the state's leading small business advocacy association.

NFIB is a member driven organization representing close to 300,000 small businesses across this country and more than 10,500 in New York State.

NFIB members are the businesses that define our neighborhoods and imbue our communities with character and value: local hardware stores, independent restaurants, florists and barbers, roofers, landscapers and mechanics; fitness and retail boutiques. These are NFIB members.

Small businesses employ nearly half the state's workforce, 4 million New Yorkers. When they succeed, communities succeed.

A strong, vibrant small business eco-system supports local tax bases, governments and schools. 67 cents of every dollar spent at a local small business is reinvested into the community.

Unfortunately, the single greatest obstacle to the sustained growth and vibrancy of small business in New York State is New York State.

Our property taxes, income taxes, energy costs, health insurance costs, workers' compensation and general liability insurance are all among the most expensive in the nation. These combine with new and changing workplace mandates and regulations that, while sometimes well-intended, are often poorly communicated, overly burdensome, and enforced with revenue in mind rather than compliance.

A recent Siena research poll found a majority of voters believe it's even harder for businesses to succeed than it was just five years ago.¹

The required taxes and unprecedented new state spending needed to fund a government-run single-payer health care program would be the largest state-based tax increase in recent history.

More than \$300 billion in new health-based state spending.

Close to \$140 billion in new state taxes, with that number climbing higher by tens of billions should federal health program waivers be declined.

These taxes that would largely be paid for by employers -- including small businesses -- already struggling under the aforementioned burdens.

For small businesses who don't currently offer health coverage to all employees or the self-employed, this could be a cataclysmic tax hike.

For many small businesses that do offer health coverage, the graduated payroll tax will surpass the current costs of provided employee health benefits.

The nature of a payroll tax is that its costs increase with employee pay. Increasing the costs of labor will act as a perverse incentive to eliminate jobs, invest resources elsewhere, limit growth and hiring.

A 2017 survey of NFIB's membership in New York found that 76 percent of our small business members oppose government run health care.

Conservative estimates predict the NY Health Act will directly and immediately eliminate tens of thousands of jobs. Perhaps more than one hundred thousand. These estimates don't and can't take into consideration the full potential economic and employment impact for industries outside the health service sector but will unquestionably be harmed by the elimination of private sector health professions and additional state taxes.

As mentioned several times today, New York is as close as its ever been to achieving universal health coverage for its populace. It is our opinion that the state's energies would be better directed towards identifying innovative and responsible ways to extend coverage to the remaining 5-6% and to decrease the cost of coverage for all New Yorkers.

Thank you again for the time today.

¹ Siena College Research Institute Poll: <https://scri.siena.edu/2019/04/16/voters-strongly-say-permanent-property-tax-cap-plastic-bag-ban-are-good-for-ny/>