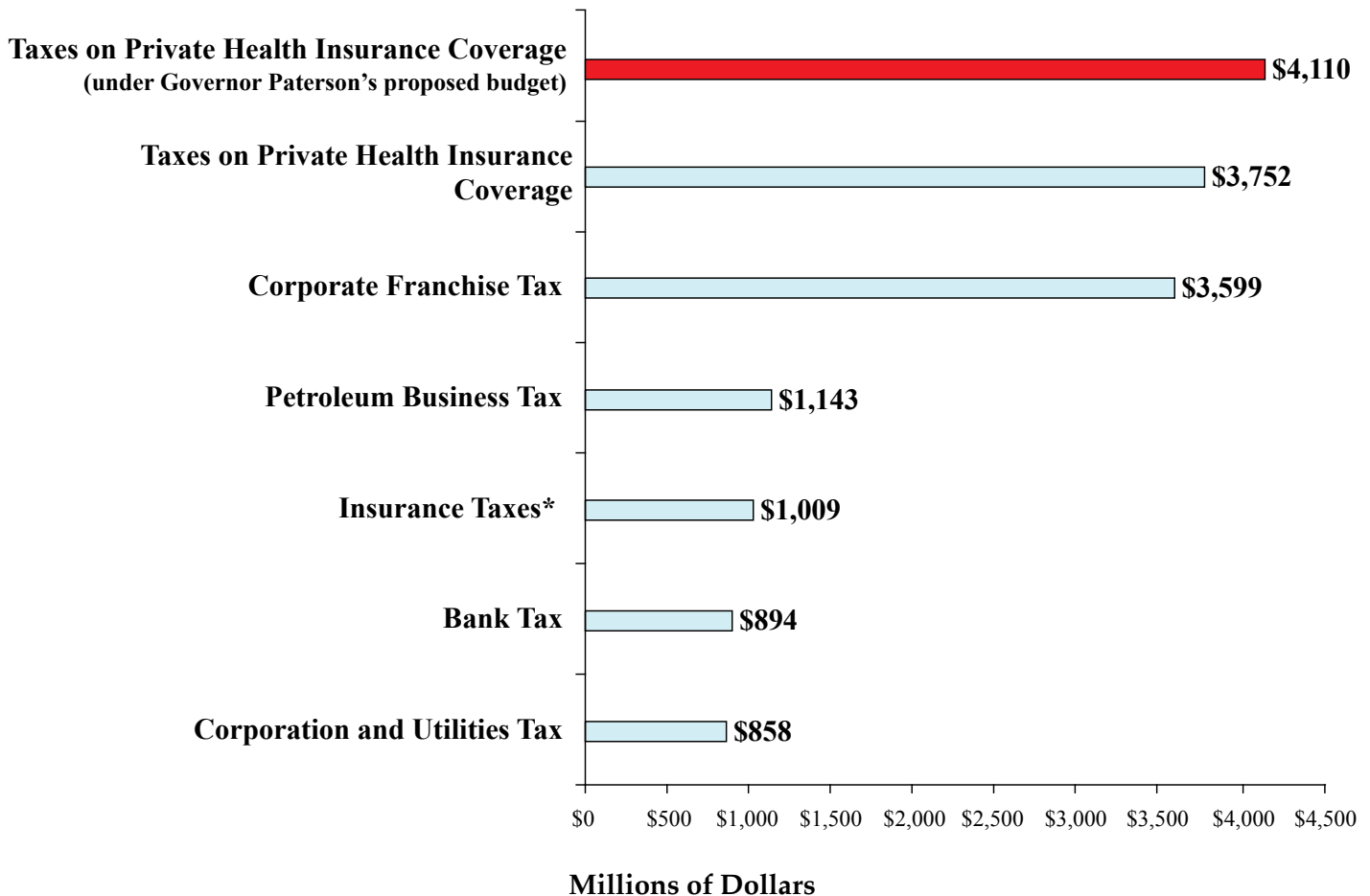




The Facts About... Taxes on New York's Privately Insured

Taxes on New Yorkers with Private Health Coverage Compared to New York State Business Taxes, 2008-2009



Source: Data on New York State business taxes supplied by the 2009-2010 New York State Executive Budget, Economic and Revenue Outlook, Cash Receipts, All Government Funds, 2007-2008. Private Health Insurance Coverage tax figure is based on information provided by the State departments of Health and Insurance. * Insurance Taxes figure does not include an estimated \$250.2 million collected through a 1.75% premium taxes on commercial health insurers and uses 2008-2009 numbers gathered from the 2009/2010 Executive Budget*

New Yorkers who voluntarily purchase private health insurance coverage pay approximately \$3.752 billion in state health taxes. Because employers pay for most New Yorkers' health benefits, the various private insurance surcharges are viewed as a business tax. Compared to other state business levies, private health coverage taxes would rank as the largest business tax.



The Facts About...

Taxes on New York's Privately Insured

Taxes on New Yorkers With Private Health Coverage 2008-2009	
Tax	Total (In Millions)
Personal Income Tax	\$ 36,559
Sales and Use Tax	\$ 11,444
Taxes on Private Health Insurance Coverage (under Governor Paterson's proposed budget)	\$ 4,110
Taxes on Private Health Insurance Coverage	\$ 3,752
Corporation Franchise Tax	\$ 3,599
Cigarette and Tobacco Taxes	\$ 1,311
Petroleum Business Tax	\$ 1,143
Insurance Taxes*	\$ 1,009
Estate Tax	\$ 894
Bank Tax	\$ 894
Corporation and Utilities Tax	\$ 858
Real Estate Transfer Tax	\$ 750
Motor Vehicle Fees	\$ 666
Motor Fuel Tax	\$ 523
Alcoholic Beverage Taxes	\$ 206
Highway use Tax	\$ 147
Alcoholic Beverage Control License Fees	\$ 147
Auto Rental Tax	\$ 53
Pari-mutuel Taxes	\$ 23
Other Taxes	\$ 1
Real Property Gains Tax	\$ 0

Source: Data on New York State business taxes supplied by the 2009-2010 New York State Executive Budget, Economic and Revenue Outlook, Cash Receipts, All Government Funds, 2008-2009. Private Health Insurance Coverage tax figure is based on information provided by the State departments of Health and Insurance.

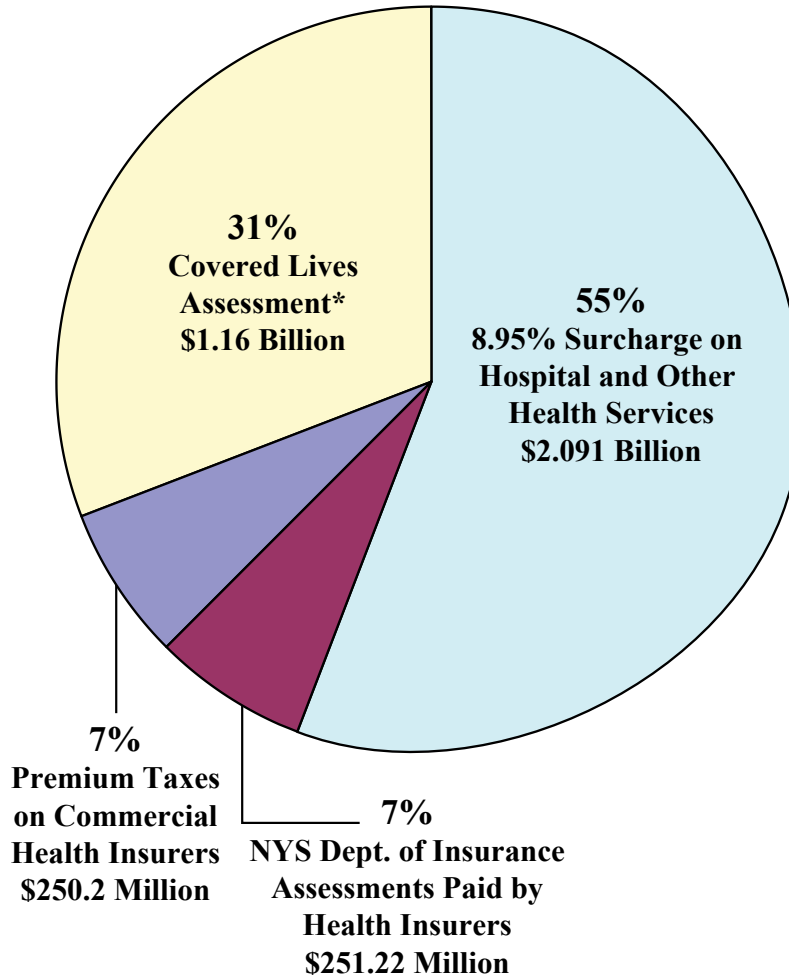
* Insurance Taxes figure does not include an estimated \$250.2 million collected through a 1.75% premium taxes on commercial health insurers. Estimate based on 2008-2009 Budget data.



The Facts About...

Taxes on New York's Privately Insured

Taxes on New York's Privately Insured, 2008-2009



Collected from health plans on the basis of individual and family policies issued.

Collected from health plans in the form of a sales tax on certain health services.

Collected from a 1.75% tax on premiums paid. Revenue goes to general state treasury. Estimate based on on 2007-2008 NYS Department of Insurance data.

Collected from health maintenance organizations and not-for-profit and commercial health insurers. Estimate based on 2006-07 NYS Dept. of Insurance data.

Source: New York State Departments of Health and Insurance, Division of the Budget (DOB)

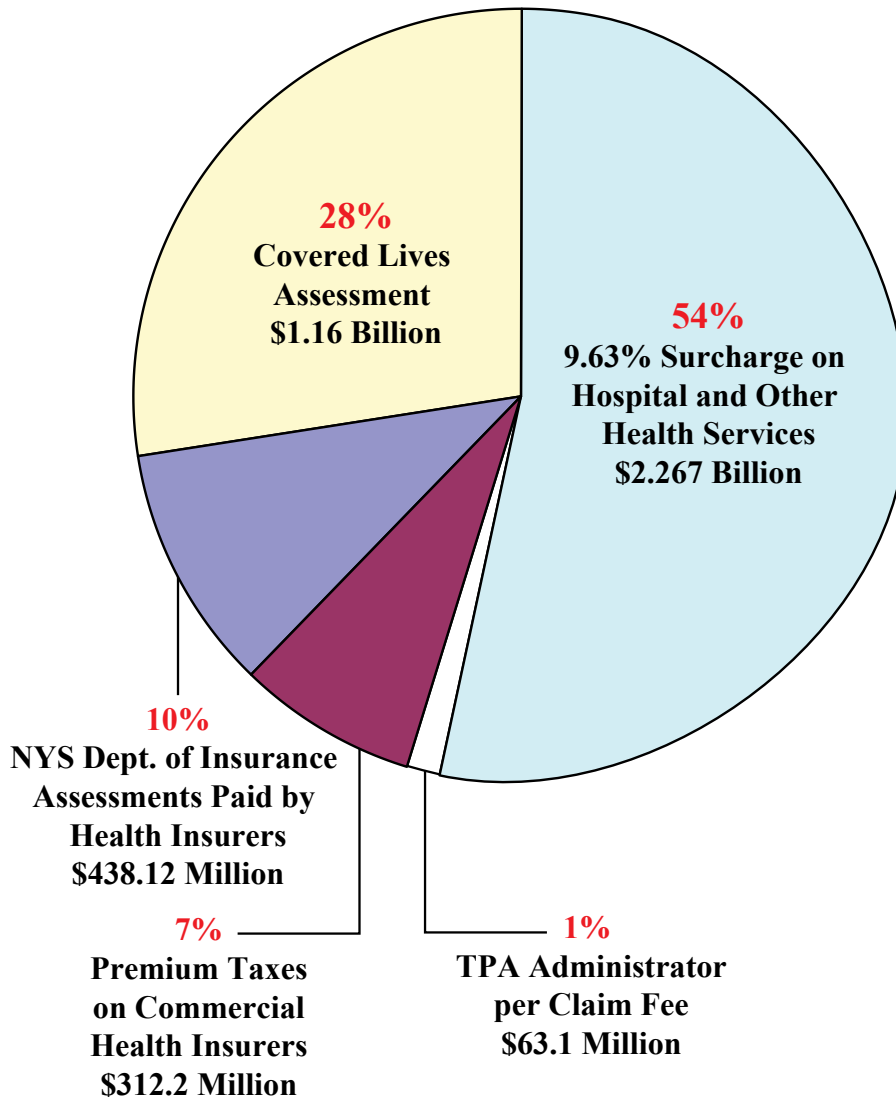
* In the State Fiscal Year (SFY) 2007-08 budget, the Executive and Legislature agreed to increase the covered lives assessment by \$75 million from \$775 million to \$850 million. In 2008, another \$70 million increase was approved, bringing the total CLA to \$920 million. The Deficit Reduction Plan (DRP), passed in February 2009, increased the CLA by \$240 million, from \$920 million to \$1.16 billion.



The Facts About...

Taxes on New York's Privately Insured

Taxes on New York's Privately Insured, Under Governor Paterson's Proposed Budget 2008-2009



Surcharge on Services Provided By Hospitals and Diagnostic and Treatment Centers

For every \$1,000 that privately insured New Yorkers pay in premiums, an estimated \$33 is collected by the state from the 9.95% surcharge on services by hospitals and diagnostic and treatment centers (inpatient, outpatient, ambulatory surgery centers, and clinics.) The 9.95% surcharge rose from 8.18% in July 2003; it rose again to 8.95% in January 2006 and as shown in the chart above, the executive budget proposes to increase it to 9.63% — adding an additional \$126 million.

*Based on assumption that a third of a typical managed care plan's premiums are used to pay for services that are taxable at 8.95%.