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## Revenue Enhancement Proposals

A number of revenue enhancement items are proposed by Governor Paterson in the Executive Budget and 21 Day Amendments to help close the State's budget deficit. The Coalition supports the following items:

- **Cigarette excise tax increase (+\$218 million)**  
Governor Paterson proposed a \$1 per pack increase in the Executive Budget to fund health programs. This measure would also give consumers a greater incentive to stop smoking.
- **New excise tax on sugary beverages (+\$465 million)**  
Public health programs would also benefit from revenue generated by the penny per ounce tax on sugary beverages proposed Governor Paterson in the Executive Budget. This initiative may also result in less consumption of sugary beverages linked to obesity.
- **Offset Medicaid cuts with funding from enhanced FMAP extension (+\$1 billion)**  
President Obama has proposed to extend the enhanced FMAP rate for an additional six months until June 30, 2011. In the 21 Day Amendments, Governor Paterson proposed to designate enhanced Federal funding to the State's Medicaid program to offset budget cuts.

The Coalition also supports the following items related to raising new State revenue:

- **Increase the excise tax on alcoholic beverages and reinvest in OASAS programs**  
The Coalition urges the passage of Bill # A06738 (Felix Ortiz) to increase the alcohol tax and designate new revenue for an alcoholism and substance abuse prevention and treatment fund. This initiative will serve to combat underage drinking by making it more costly to purchase alcohol.

The Coalition supports the MTA mobility tax with an exception:

- **Exempt not-for-profit employers from MTA mobility tax**  
The Coalition opposes the inclusion of not-for profit employers in the MTA mobility tax on employers. In the 21 Day Budget Amendment, the Governor proposes to increase the already burdensome MTA tax on employers in New York City from \$0.34 to \$0.54 per \$100 in payroll. Over time, not-for-profits have seen their budgets cut by all payer sources, including New York State. The MTA mobility tax increase, in effect, takes away already tight State funding from nonprofit providers. This proposal will cost the average New York City Coalition member approximately \$96,000 annually.

### Why this is Important

Sharp decreases in revenue collections as a result of the recession caused deficits to emerge in the State's budget. Revenue gaps can be filled from levying taxes on the sale of unhealthy products like cigarettes, alcohol and sugary beverages. Not-for-profit employers are funded primarily through public dollars. Cuts and flat trend factors hurt the programs and reduce services to New York's most vulnerable citizens who depend on them.