

6650

2015-2016 Regular Sessions

I N   A S S E M B L Y

March 30, 2015

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Introduced by M. of A. PERRY -- read once and referred to the Committee  
on Ways and Means

AN ACT to amend the tax law and the state finance law, in relation to  
imposing a tax on health maintenance organizations and creating the  
medical malpractice relief fund

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-  
BLY, DO ENACT AS FOLLOWS:

1     Section 1. The tax law is amended by adding a new article 33-C to read  
2 as follows:

3                                     ARTICLE 33-C

4                     TAX ON HEALTH MAINTENANCE ORGANIZATIONS

5 SECTION 1580. DEFINITION.

6             1581. IMPOSITION OF TAX.

7             1582. DEPOSIT AND DISPOSITION OF REVENUE.

8     S 1580. DEFINITION. FOR THE PURPOSE OF THIS ARTICLE, "HEALTH MAINTE-  
9 NANCE ORGANIZATION" MEANS ANY PERSON, NATURAL OR CORPORATE, OR ANY  
10 GROUPS OF SUCH PERSONS WHO ENTER INTO AN ARRANGEMENT, AGREEMENT OR PLAN  
11 OR ANY COMBINATION OF ARRANGEMENTS OR PLANS WHICH PROPOSE TO PROVIDE OR  
12 OFFER, OR WHICH DO PROVIDE OR OFFER, A COMPREHENSIVE HEALTH SERVICES  
13 PLAN PURSUANT TO ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW.

14     S 1581. IMPOSITION OF TAX. THERE IS HEREBY IMPOSED ON ANY HEALTH MAIN-  
15 TENANCE ORGANIZATION ESTABLISHED PURSUANT TO ARTICLE FORTY-FOUR OF THE  
16 PUBLIC HEALTH LAW AND AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE  
17 UNDER A CERTIFICATE OF AUTHORITY FROM THE SUPERINTENDENT OF FINANCIAL  
18 SERVICES A TAX AT THE RATE OF BETWEEN ONE HALF PERCENT AND ONE PERCENT  
19 OF THE REPORTED PROFITS EACH FISCAL YEAR. THE COMMISSIONER, IN CONJUNC-  
20 TION WITH THE SUPERINTENDENT OF FINANCIAL SERVICES SHALL PROMULGATE  
21 RULES AND REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION.  
22 NOTHING IN THIS ARTICLE MODIFIES OR ABROGATES ANY PROVISION OF THE  
23 INSURANCE LAW.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 S 1582. DEPOSIT AND DISPOSITION OF REVENUE. ALL TAXES, INTEREST AND  
2 PENALTIES COLLECTED OR RECEIVED BY THE COMMISSIONER UNDER THIS ARTICLE  
3 SHALL BE DEPOSITED INTO THE MEDICAL MALPRACTICE RELIEF FUND PURSUANT TO  
4 SECTION NINETY-SEVEN-LLLL OF THE STATE FINANCE LAW.

5 S 2. The state finance law is amended by adding a new section 97-llll  
6 to read as follows:

7 S 97-LLLL. MEDICAL MALPRACTICE RELIEF FUND. 1. THERE IS HEREBY ESTAB-  
8 LISHED IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSION-  
9 ER OF TAXATION AND FINANCE A SPECIAL REVENUE FUND TO BE KNOWN AS THE  
10 "MEDICAL MALPRACTICE RELIEF FUND".

11 2. SUCH FUND SHALL CONSIST OF ALL MONEYS RECEIVED FROM TAXES ASSESSED  
12 ON HEALTH MAINTENANCE ORGANIZATIONS PURSUANT TO ARTICLE THIRTY-THREE-C  
13 OF THE TAX LAW.

14 3. MONEYS IN THE FUND SHALL BE KEPT SEPARATELY FROM AND SHALL NOT BE  
15 COMMINGLED WITH ANY OTHER MONEYS IN THE CUSTODY OF THE STATE COMP-  
16 TROLLER.

17 4. MONEYS IN THE ACCOUNT, FOLLOWING APPROPRIATION BY THE LEGISLATURE,  
18 SHALL BE EXPENDED BY THE SUPERINTENDENT OF FINANCIAL SERVICES FOR THE  
19 PURPOSE OF PROVIDING RELIEF TO HEALTH CARE PRACTITIONERS BY REDUCING THE  
20 INCREASING COSTS OF MEDICAL MALPRACTICE INSURANCE.

21 S 3. This act shall take effect April 1, 2016; provided, however that  
22 effective immediately, the addition, amendment and/or repeal of any rule  
23 or regulation necessary for the implementation of this act on its effec-  
24 tive date are authorized and directed to be made and completed on or  
25 before such effective date.