FISCAL IMPACT REPORT

SPONSOR:	Lujan	DATE TYPED:	02/26/01	HB	893
SHORT TITLE:	For-profit Hospital Charity Care Tax Credit		SB	
		ANALYST:	Eaton	

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	(Negative/unknown)	(Negative/unknown)	Recurring	General Fund
	(Negative/unknown)	(Negative/unknown)	Recurring	Local Govt.

(Parenthesis ( ) Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files.

SUMMARY

   Synopsis of Bill

This bill would provide for a gross receipts tax credit to a for-profit hospital equal to the uncompensated charity care provided by the hospital. The amount of the credit would be equal to the unpaid amount of health services multiplied by the cost-to-charge ratio as reported in the Medicare cost report filed by the hospital with the Health Care Financing Administration (HCFA) for the applicable period.

Charity care is defined as medically necessary care given to an individual below 200 percent of the federal poverty level and who is without any identifiable alternative third party or payment sources. Charity care does not include the difference between full charges and partial payment paid by a third party.

FISCAL IMPLICATIONS

The Taxation and Revenue Department (TRD) had not submitted a fiscal impact report prior to the time of the writing of this report. An amended report will be distributed after that time. It is reasonable to expect this credit would have a several million dollar impact on the general fund and local governments.

JE/njw