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FISCAL IMPACT REPORT

SPONSOR: SPAC DATE TYPED: 02/23/01 HB _____
 SHORT TITLE: Gross Receipts Tax Deduction for Podiatrists SB 195/SPACS
 ANALYST: Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ (74.0)	\$ (81.0)	Recurring	General Fund
	\$ (53.0)	\$ (58.0)	Recurring	Local Govt.

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to HB-253 proposes a 50% GRT deduction for receipts of licensed health practitioners; SB-5 is a three-year phased-in deduction for licensed health practitioners; SB-191 provides a GRT credit for hospitals; HB-94 is the "TRICARE" deduction for active duty military and military retirees and their families; HB-202 gives an immediate deduction for licensed health practitioners; HB-227 is a proposal for a three-year phased-in deduction for doctors and osteopaths only, where the deduction is applied after the Medicare B deduction (as in HB-253); HB-326 is a proposal for a deduction for receipts of nursing homes.

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)
 State Agency on Aging

SUMMARY

Synopsis of Committee Substitute

The SPAC substitute bill changes the deduction to an exemption. This does not change the fiscal impact of the bill. The osteopaths will simply no longer have to report the gross receipts from Medicare B services at all.

The Taxation and Revenue Department (TRD) would prefer the way it was from the standpoint that with an exemption, they lose sight of the taxpayer completely for Medicare B type transactions, losing information going forward that may someday be useful to TRD and policymakers.

Synopsis of Bill

Senate Bill 195/SPACS -- Page 2

The bill extends 1998's Medicare B deduction for doctors and osteopaths and 2000's expansion to Medicare B receipts of hospices to podiatrists.

Significant Issues

1997 Census of Healthcare Industries reports 45 podiatrists establishments with 162 employees and \$10,968,000 in sales.

FISCAL IMPLICATIONS

The estimated full year impact on the general fund is an estimated seventy-four thousand dollars. Local government revenues are estimated to be lower by fifty-eight thousand dollars.

The Taxation and Revenue Department (TRD) estimate assumes 17.8% of podiatrist's receipts are derived from Medicare, and reports the actual percentage might be higher.

ADMINISTRATIVE IMPLICATIONS

Minimal.

JBE/ar