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## FISCAL IMPACT REPORT

SPONSOR Marquardt DATE TYPED 2-11-04 HB 452

SHORT TITLE Health Care Services Tax Credit SB \_\_\_\_\_

ANALYST Taylor

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
(17,000.0)	(68,000.0)	Increasing	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

HB 452 provides personal and corporate income tax credits equal to state and local gross receipts taxes paid for medical and health care services by physicians, or a pass through entity of which the physician is an owner. If the taxes are paid by the pass through entity, the credit is proportional to the taxpayer's share of the taxpayer's gross receipts payments. The credit is refundable.

Physicians are defined to include licensed physicians, dentists, optometrists and osteopathic physicians.

The bill's provisions would become applicable on January 1, 2004.

### FISCAL IMPLICATIONS

TRD reports that gross receipts taxes paid by qualifying physicians average about \$68 million. The impact for FY04 is based on a quarter year.

### ADMINISTRATIVE IMPLICATIONS

TRD reports that the administrative impacts are modest.

BT/lg