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FISCAL IMPACT REPORT

SPONSOR Youngberg DATE TYPED 2-22-05 HB 715

SHORT TITLE Counseling and Therapy Practice Gross Receipts SB _____

ANALYST Taylor

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	(\$213.0)	(\$455.0)	Recurring	General Fund
	NFI	NFI	Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

Relates to SB 59

SOURCES OF INFORMATION

LFC Files
Taxation and Revenue Department

SUMMARY

House Bill 715 would expand the list of professionals allowed a gross receipts tax deduction for receipts from certain payments from managed care providers or health care insurers to include persons licensed or registered to practice counseling and therapy.

The bill has an effective date of January 1, 2006.

FISCAL IMPLICATIONS

TRD estimates that providing this gross receipts deduction will reduce general fund revenues by \$213 thousand in FY06 and \$455 thousand in FY05. They report that in developing the estimate they gathered and aggregated gross receipts data based on occupational and industry information.

The full year fiscal impact implies that the tax base (deductible licensed occupational and therapy service payments) is approximately \$6.9 million. This assumes a statewide gross receipts tax rate of 6.6 percent. The FY05 impact is a little less than half the full year impact, reflecting the January 1, 2006 effective.

The fiscal impact is limited to the state general fund because of provisions in the law being amended that hold harmless local government revenues.

ADMINISTRATIVE IMPLICATIONS

TRD reports modest administrative implications that can be implemented with existing resources.

BT/lg