

STATEMENT OF PURPOSE

RS27174

This legislation repeals the sales tax exemption for all non-exempt hospitals except critical access hospitals as defined in 42 U.S.C. 1395x (mm). All monies generated will be deposited in a newly created Medicaid expansion dedicated fund.

FISCAL NOTE

This will have a positive impact on the State General Fund. The estimated value for the sales tax exemption for hospital purchases is \$37.7 million in FY 2021. The fiscal impact of removing the sales tax exemption for hospitals that are not critical access hospitals, or otherwise state or federally run hospitals, is estimated to generate \$24.5 million for the Medicaid Expansion Dedicated Fund in FY 2021. This estimated impact is found by applying the proportion of the population living in urban counties as defined by the United States Census Bureau (Ada, Bannock, Bonneville, Canyon, Kootenai, and Twin Falls) to the total estimated exemption in the FY 2020 General Fund revenue book which is produced by the Division of Financial Management. These six counties comprise 65% of the state's population.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).