

AN ACT

relating to the applicability of the sales and use tax to medical or dental billing services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 151.0039(b), Tax Code, is amended to read as follows:

(b) "Insurance service" does not include:

(1) insurance coverage for which a premium is paid or commissions paid to insurance agents for the sale of insurance or annuities;

(2) a service performed on behalf of an insured by a person licensed under Chapter 4102, Insurance Code;

(3) a service performed by a certified public accountancy firm, if less than one percent of the firm's total revenue in the prior calendar year is from services in this state that would otherwise constitute insurance service under Subsection (a); ~~or~~

(4) a service performed on behalf of a certified public accountancy firm by an owner of the firm or a member of the firm's affiliated group, if less than one percent of the owner's or member's total revenue in the prior calendar year is from services in this state that would otherwise constitute insurance service under Subsection (a); or

(5) a medical or dental billing service performed

1 before the original submission of:

2 (A) a medical or dental insurance claim related
3 to health or dental coverage; or

4 (B) a claim related to health or dental coverage
5 made to a medical assistance program funded by the federal
6 government, a state government, or both.

7 SECTION 2. Section 151.0039(c), Tax Code, is amended by
8 adding Subdivision (3) to read as follows:

9 (3) "Medical or dental billing service" means
10 assigning codes for the preparation of a medical or dental claim,
11 verifying medical or dental insurance eligibility, preparing a
12 medical or dental claim form for filing, and filing a medical or
13 dental claim.

14 SECTION 3. The change in law made by this Act does not
15 affect tax liability accruing before the effective date of this
16 Act. That liability continues in effect as if this Act had not been
17 enacted, and the former law is continued in effect for the
18 collection of taxes due and for civil and criminal enforcement of
19 the liability for those taxes.

20 SECTION 4. This Act takes effect January 1, 2022.

President of the Senate

Speaker of the House

I certify that H.B. No. 1445 was passed by the House on April 7, 2021, by the following vote: Yeas 147, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1445 was passed by the Senate on April 19, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor