

By: Delisi

H.B. No. 141

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the computation of franchise tax total revenue by a  
3 health care provider.

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

5 SECTION 1. Section 171.1011, Tax Code, as added by H.B. No.  
6 3, Acts of the 79th Legislature, 3rd Called Session, 2006, is  
7 amended by adding Subsections (n), (n-1), and (o) to read as  
8 follows:

9 (n) Except as provided by Subsection (o), a taxable entity  
10 that is a health care provider shall exclude from its total revenue,  
11 to the extent included under Subsection (c)(1)(A), (c)(2)(A), or  
12 (c)(3):

13 (1) 150 percent of the total amount of payments, from  
14 whatever source derived, the health care provider received under  
15 the Medicaid program and Children's Health Insurance Program  
16 (CHIP);

17 (2) 100 percent of the total amount of payments, from  
18 whatever source derived, the health care provider received:

19 (A) under the Medicare program;

20 (B) for services provided in relation to a  
21 workers' compensation claim under Title 5, Labor Code; and

22 (C) for services provided to a beneficiary  
23 rendered under the TRICARE military health system; and

24 (3) 100 percent of the actual cost to the health care

1 provider for any uncompensated care provided, but only if the  
2 provider maintains records of the uncompensated care for auditing  
3 purposes and, if the provider later receives payment for all or part  
4 of that care, the provider adjusts the amount excluded for the tax  
5 year in which the payment is received.

6 (n-1) The comptroller shall adopt rules governing:

7 (1) the computation of the actual cost to a health care  
8 provider of any uncompensated care provided under Subsection  
9 (n)(3); and

10 (2) the accounting, audit, and other requirements  
11 related to the computation of those costs.

12 (o) A health care provider that is a health care institution  
13 shall exclude from its total revenue, to the extent included under  
14 Subsection (c)(1)(A), (c)(2)(A), or (c)(3):

15 (1) 75 percent of the total amount of payments  
16 described by Subsection (n)(1); and

17 (2) 50 percent of the total amounts of payments  
18 described by Subsection (n)(2) and of the costs described by  
19 Subsection (n)(3).

20 SECTION 2. Subsections (n), (n-1), and (o), Section  
21 171.1011, Tax Code, as added by H.B. No. 3, Acts of the 79th  
22 Legislature, 3rd Called Session, 2006, have no effect.

23 SECTION 3. This Act takes effect only if H.B. No. 3, Acts of  
24 the 79th Legislature, 3rd Called Session, 2006, becomes law. If  
25 H.B. No. 3, Acts of the 79th Legislature, 3rd Called Session, 2006,  
26 does not become law, this Act has no effect.

27 SECTION 4. To the extent of a conflict between a provision

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1 of this Act and a provision of any other Act of the 79th  
2 Legislature, 3rd Called Session, 2006, including H.B. No. 3, the  
3 provision of this Act prevails, regardless of relative dates of  
4 enactment.

5 SECTION 5. This Act takes effect January 1, 2008, and  
6 applies only to a report originally due on or after that date.