

By: Bohac

H.B. No. 746

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the exclusion from total revenue of certain payments
3 received by health care providers for purposes of computing the
4 franchise tax.

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

6 SECTION 1. Section [171.1011\(n\)](#), Tax Code, is amended to
7 read as follows:

8 (n) A [~~Except as provided by Subsection (e), a~~] taxable
9 entity that is a health care provider shall exclude from its total
10 revenue:

11 (1) to the extent included under Subsection (c)(1)(A),
12 (c)(2)(A), or (c)(3), the total amount of payments the health care
13 provider received:

14 (A) under the Medicaid program, Medicare
15 program, Indigent Health Care and Treatment Act (Chapter 61, Health
16 and Safety Code), and Children's Health Insurance Program (CHIP);

17 (B) for professional services provided in
18 relation to a workers' compensation claim under Title 5, Labor
19 Code; and

20 (C) for professional services provided to a
21 beneficiary rendered under the TRICARE military health system; and

22 (2) the actual cost to the health care provider for any
23 uncompensated care provided, but only if the provider maintains
24 records of the uncompensated care for auditing purposes and, if the

1 provider later receives payment for all or part of that care, the
2 provider adjusts the amount excluded for the tax year in which the
3 payment is received.

4 SECTION 2. Section [171.1011\(o\)](#), Tax Code, is repealed.

5 SECTION 3. This Act applies only to a report originally due
6 on or after the effective date of this Act.

7 SECTION 4. This Act takes effect January 1, 2016.