88R7292 RDS-F

By:  Schwertner S.B. No. 1122

A BILL TO BE ENTITLED

AN ACT

relating to the exclusion of certain medical services performed to determine an appropriate level of workers' compensation benefits from sales and use taxes.

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);

(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 before the original submission of:

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

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

(6)  a medical service performed to determine the appropriate level of benefits under Subtitle A, Title 5, Labor Code, including:

(A)  a medical examination ordered by the commissioner of workers' compensation under Section 408.004 or 408.0041, Labor Code;

(B)  a medical examination requested by an insurance carrier or employee under Section 408.0041, Labor Code;

(C)  a medical examination or test:

(i)  performed by a health care provider under a referral by another health care provider; and

(ii)  related to a medical examination described by Paragraph (A) or (B); or

(D)  a medical examination to determine an employee's:

(i)  impairment rating; or

(ii)  maximum medical improvement.

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

(2-a)  "Impairment rating" and "maximum medical improvement" have the meanings assigned by Section 401.011, Labor Code.

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

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.