

# HOUSE RESEARCH

## Bill Summary

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### Overview

The Minnesota Department of Revenue considers services provided free of charge by a health care provider, staff model health plan company, hospital, or surgical center to employees as being subject to the MinnesotaCare tax on gross revenues, because it is assumed that the provider or other entity receives in return gross revenues in the form of services provided by the employee as part of an employment relationship. This bill specifies that these employee services are not gross revenues, and thereby exempts from the MinnesotaCare tax services provided free of charge to employees.

- 1 Gross revenues.** Amends § 295.50, subdivision 3. Excludes from the definition of gross revenues services provided by employees of a health care provider, staff model health plan company, hospital, or surgical center, under an employment relationship.
- 2 Effective date.** States that section 1 is effective July 1, 1999, and that it applies to services provided on or after that date.