HOUSE RESEARCH

Bill Summary

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Subject: Exemption from MinnesotaCare Provider Tax

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Overview

This bill provides an exemption from the MinnesotaCare provider tax for entities for whom the percentage of gross revenues received from sources outside of the state exceeds a specified threshold. The MinnesotaCare provider tax is set at two percent of gross revenues received for patient services provided by hospitals, surgical centers, and a broad range of health care providers, and two percent of gross revenues received by wholesale drug distributors. The tax is paid to the Commissioner of Revenue on a monthly or quarterly basis, depending upon the provider type. Tax revenues are deposited into the Health Care Access Fund, and used to fund the MinnesotaCare program and various related health care access initiatives.

1 **Exemptions.** Amends § 295.53, subd. 1. Excludes, from gross revenues subject to the MinnesotaCare provider tax, payments received for patient services by an entity subject to the tax, if 60 percent or more of the gross revenues received by the entity for services provided in the state are paid from sources outside of the state. Further provides that payments are deemed to be paid from the domiciliary of the patient.

States that this section is effective for gross revenues received on or after June 30, 2011.