



General Assembly

January Session, 2015

Raised Bill No. 7058

LCO No. 6198



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING THE HOSPITAL TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-263b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2017*):

3 (a) (1) For each calendar quarter commencing on or after July 1,
4 2011, but prior to January 1, 2021, there is hereby imposed a tax on the
5 net patient revenue of each hospital in this state to be paid each
6 calendar quarter. [The] Except as provided in subdivision (2) of this
7 subsection, the rate of such tax shall be up to the maximum rate
8 allowed under federal law. The Commissioner of Social Services shall
9 determine the base year on which such tax shall be assessed. The
10 Commissioner of Social Services may, in consultation with the
11 Secretary of the Office of Policy and Management and in accordance
12 with federal law, exempt a hospital from the tax on payment earned
13 for the provision of outpatient services based on financial hardship.
14 Effective July 1, 2012, and for the succeeding fifteen months, the rates
15 of such tax, the base year on which such tax shall be assessed [,] and

16 the hospitals exempt from the outpatient portion of the tax based on
17 financial hardship shall be the same tax rates, base year and outpatient
18 exemption for hardship in effect on January 1, 2012.

19 (2) For the calendar year commencing January 1, 2017, the annual
20 amount of tax imposed on a hospital shall be equal to eighty per cent
21 of the amount of tax imposed on the hospital during the fiscal year
22 commencing July 1, 2012. For the calendar year commencing January 1,
23 2018, the annual amount of tax imposed on a hospital shall be equal to
24 sixty per cent of the amount of tax imposed on the hospital during the
25 fiscal year commencing July 1, 2012. For the calendar year commencing
26 January 1, 2019, the annual amount of tax imposed on a hospital shall
27 be equal to forty per cent of the amount of tax imposed on the hospital
28 during the fiscal year commencing July 1, 2012. For the calendar year
29 commencing January 1, 2020, the annual amount of tax imposed on a
30 hospital shall be equal to twenty per cent of the amount of tax imposed
31 on the hospital during the fiscal year commencing July 1, 2012. For the
32 calendar year commencing January 1, 2021, and each calendar year
33 thereafter, no tax shall be imposed pursuant to this section.

34 (b) Each hospital shall, on or before the last day of January, April,
35 July and October of each year, until February 1, 2021, render to the
36 Commissioner of Revenue Services a return, on forms prescribed or
37 furnished by the Commissioner of Revenue Services and signed by one
38 of its principal officers, stating specifically the name and location of
39 such hospital, and the amount of its net patient revenue as determined
40 by the Commissioner of Social Services. Payment shall be made with
41 such return. Each hospital shall file such return electronically with the
42 department and make such payment by electronic funds transfer in the
43 manner provided by chapter 228g, irrespective of whether the hospital
44 would otherwise have been required to file such return electronically
45 or to make such payment by electronic funds transfer under the
46 provisions of chapter 228g.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2017</i>	12-263b

Statement of Purpose:

To phase out the hospital tax on net patient revenue over a five-year period.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]