

2014 SPECIAL SESSION I

INTRODUCED

14200442D

SENATE BILL NO. 5008

Offered September 18, 2014

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to Medicare reduction tax credit.

Patron—Stanley

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11 as follows:

§ 58.1-439.12:11. Medicare reduction tax credit.

A. As used in this section, unless the context requires a different meaning:

"Eligible expenses" means expenses incurred by a hospital for the provision of low-cost or no-cost medical services provided directly by the hospital or in conjunction with mobile clinics, free clinics, nurse practitioner clinics, or other organizations offering free or reduced-cost medical care.

"Hospital" means a hospital licensed or certified pursuant to Article 1 (§ 32.1-123 et seq.) of Chapter 5 of Title 32.1.

B. For taxable years beginning on or after January 1, 2014, but before January 1, 2017, a taxpayer that owns and operates one or more hospitals in the Commonwealth shall be allowed a credit against taxes imposed by Articles 2 (§ 58.1-320 et seq.) and 10 (§ 58.1-400). The amount of the credit earned pursuant to this section shall be equal to eligible expenses incurred by each hospital owned and operated by the taxpayer in the Commonwealth, not to exceed the difference between the amount that the hospital was reimbursed for Medicare prior to the implementation of changes under the federal Patient Protection and Affordable Care Act and the amount that the hospital was reimbursed for Medicare after the implementation of changes under the federal Patient Protection and Affordable Care Act.

C. In no case shall the Tax Commissioner issue more credits in a tax year than the total annual reduction of Medicare payments to all hospitals in the Commonwealth pursuant to changes implemented under the federal Patient Protection and Affordable Care Act. The Department of Medical Assistance Services shall cooperate with the Department to determine the total amount of Medicare payment reductions.

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