

FISCAL NOTE
HOUSE BILL NO. 1498
LC# 23.1071.01000
01/26/2023

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1498 expands a sales and use tax exemption for sales made to certain senior citizen organizations, and provides an effective date.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

Sections 1 and 2 of HB 1498 expands a sales and use tax exemption for sales made to certain senior citizen organizations that provide informational, health, welfare, counseling, and referral services for senior citizens in this state. In addition to the existing criteria, HB 1498 would allow a senior citizen organization that has a contract with the department of health and human services as a program of all-inclusive care for the elderly (PACE) to make sales and use tax-exempt purchases.

Section 2 of HB 1498 would make this exemption effective for taxable events occurring after 06/30/2023.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

If enacted, HB 1498 may reduce state general fund and state aid distribution fund revenues in the 2023-2025 biennium.

In conferring with the Department of Health and Human Services, they currently have one contract with a provider for PACE services. They pay the provider a capitated, per member, per month fee to serve eligible Medicaid members. This fee covers everything including the services they provide members, administration/operating expenses, profit, etc. The fee is determined by their contracted actuaries and must be less than the amount the Department of Health and Human Services would have otherwise paid if the participants were not enrolled in PACE. The fee is fixed regardless of changes in the member's health status.

The reduction in revenue is dependent upon the exempt purchases the organization might make. The amount of future exempt purchases from this provider is unknown. Since the future exempt purchases cannot be quantified, the Office of State Tax Commissioner is not able to provide an estimated fiscal impact.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Contact Information

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