

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 343 - SB 997

March 20, 2013

SUMMARY OF BILL: Authorizes the Office of the Attorney General and Reporter (Attorney General) to notify a public benefit hospital of the Attorney General's determination to object to a proposed public benefit hospital conveyance transaction within 60 days of receipt of notice of the proposed transaction, instead of 45 days. The joint annual report filed by all hospitals licensed by the Department of Health or by the Department of Mental Health and Substance Abuse Services is required to also include a report on community benefits provided by hospitals required to make a report. Prohibits the Commissioner of Revenue from exercising measures for enforcement against a taxpayer having not-for-profit status when the Commissioner fails or refuses to recognize an exemption or exception for the taxpayer unless and until the taxpayer's appeal is finally adjudicated.

ESTIMATED FISCAL IMPACT:

Increased State Expenditures – Not Significant

Other Fiscal Impact - The Department of Revenue will be prohibited from taking any enforcement action against a not-for-profit taxpayer unless or until the taxpayer's appeal is adjudicated which could permit a taxpayer to avoid payment after final adjudication. The fiscal impact of this prohibition cannot be quantified.

Assumptions:

- It is estimated that the Department of Health can accommodate the additional reporting requirements within the existing resources of the Department without an increased appropriation or reduced reversion.
- According to the Department of Revenue, the Department will be prohibited from taking any enforcement action against a not-for-profit taxpayer unless or until the taxpayer's appeal is adjudicated, including filing a lien, which will permit a taxpayer to deplete its assets during the course of the litigation and avoid payment after final adjudication. The fiscal impact of this prohibition cannot be quantified because the number of not-for-profit taxpayers that will deplete their assets and the amounts that will be in dispute are not ascertainable.
- According to the Attorney General, the fiscal impact of the bill on the office will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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