

NOTE: This is an earlier version of the fiscal note for HF363-0.

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Fiscal Note

2021-2022 Legislative Session

HF363 - 0 - Hospital and Ambulance Service Claims Disallowed

Chief Author: **Liz Reyer**
 Committee: **Taxes**
 Date Completed: **2/10/2021 8:37:58 AM**
 Agency: **Revenue Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	11	(6)	(6)	(6)	(6)
Total	-	11	(6)	(6)	(6)	(6)
Biennial Total			5			(12)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	.01	(.05)	(.05)	(.05)
Total	-	.01	(.05)	(.05)	(.05)

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joe Harney **Date:** 2/10/2021 8:37:58 AM
Phone: 651-284-6438 **Email:** joe.harney@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
General Fund	-	11	(6)	(6)	(6)	(6)
Total	-	11	(6)	(6)	(6)	(6)
Biennial Total			5			(12)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	11	(6)	(6)	(6)	(6)
Total	-	11	(6)	(6)	(6)	(6)
Biennial Total			5			(12)
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill removes "a private nonprofit hospital that leases its building from the county or city in which it is located, any ambulance service licensed under chapter 144E" from the claimant agency definition in MS 270A.03, Subd. 2.

This change removed a group from the list that are affected by revenue recapture.

The bill is effective the day following final enactment.

Assumptions

The Department of Revenue (DOR) will need to update the Integrated Tax System (GenTax) and other computer systems, which includes analysis, gathering requirements, and system testing.

DOR will engage in outreach and communication to inform taxpayers, businesses, tax preparers, tax software companies and DOR employees about the changes in this bill. For example, DOR may issue email and social media bulletins, and include information about the changes in press releases, conference calls, and other materials about new tax law changes.

DOR will create/update web content to reflect the changes in this bill.

DOR's Taxpayer Rights Advocate office (TRA) assumes a reduction in taxpayer calls requesting bypass/offset beginning in FY22. This will result in 80 hours of savings per year. The employee time savings is determined as follows: 25% of 635 closed recapture hardship cases (159) at .5 hours each = 80 hours per fiscal year.

Expenditure and/or Revenue Formula

This bill may have an impact on state tax revenues. An estimate of revenue impact is not included in this fiscal note. The Department of Revenue prioritizes revenue estimate requests for bills before Tax Committee and will provide one for this bill when it is before Tax Committee.

Administrative Impact

Administrative Costs (Savings)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Employees		-4,905	-5,606	-5,606	-5,606
Systems Analysis & Testing		5,606			
Systems Development		10,000			
Total Administrative Costs (Savings)		10,701	-5,606	-5,606	-5,606

Long-Term Fiscal Considerations

TRA reduction in taxpayer calls will be ongoing.

Local Fiscal Impact

The bill does not have local government impact.

References/Sources

Agency staff provided information for this fiscal note.

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Date: 2/8/2021 12:27:42 PM

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