

**MNCare Taxes  
Exempt Ambulance Services**

	<b>Yes</b>	<b>No</b>
Separate Official Fiscal Note Requested	X	
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		X

January 1, 2001

Department of Revenue  
Analysis of H.F. 194(Mulder)/S.F. 233(Sams)

	<b>Revenue Gain or (Loss)</b>				
	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>FY2005</u>
			(000's)		
Health Care Access Fund	(\$555)	(\$725)	(\$890)	(\$935)	(\$980)

Effective for payments after June 30, 2000.

**EXPLANATION OF THE BILL**

**Current Law:** Receipts from ambulance services are subject to the MNCare tax at the rate of 1.5%; the rate will increase to 2% starting January 1, 2002.

**Proposed Law:** Receipts from ambulance services would be exempt from the MNCare tax effective for payments after June 30, 2000.

**REVENUE ANALYSIS DETAIL**

- Actual MNCare tax receipts data for ambulance services during tax year 1999 are from Department of Revenue information.
- The derived FY1999 tax receipts figure is projected through FY 2005 at the rate of 5% per year.
- The impact is adjusted for the change in the tax rate from 1.5% to 2% on January 1, 2002.
- The revenue impact of the proposed change is assumed to take place after a one-month lag.

**Number of Taxpayers Affected:** 38 ambulance services.

**ADMINISTRATIVE/OPERATIONAL IMPACT**

See fiscal note

Source: Minnesota Department of Revenue  
Tax Research Division  
<http://www.taxes.state.mn.us/polic.html#analyses>