

MINNESOTA • REVENUE

SALES AND USE TAX Critical Access Dental Providers

April 8, 2013

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue

Analysis of H.F. 352 (Anderson, P.) / S.F. 621 (Ingebrigtsen)

Fund Impact

<u>F.Y. 2014</u>	<u>F.Y. 2015</u>	<u>F.Y. 2016</u>	<u>F.Y. 2017</u>
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General Fund

----- Estimate Pending -----

Effective retroactively for sales and purchases made after June 30, 2007.

EXPLANATION OF THE BILL

Current Law: Sales to hospitals and outpatient surgical centers are exempt if the items sold are used for providing hospital or outpatient surgical services. The institutions must be organized and operated for charitable purposes and be exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

Proposed Law: The bill would extend the exemption to a critical access dental provider, as defined, if the items purchased are used in providing critical access dental care. To qualify, the taxpayer must be designated as a critical access dental provider that serves only recipients of Minnesota health care programs. Refunds could be claimed for tax paid during the retroactive period.

REVENUE ANALYSIS DETAIL

- To date, two clinics that would qualify for the proposed exemption have been identified, but the total number is not known.
- A final estimate will be completed when pending information from the Minnesota Department of Human Services is received.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx

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