Overview

This bill phases out the health care provider taxes in two steps. The rate is reduced by one-half effective July 1, 1999 and repealed effective July 1, 2000. The bill does not specify how the MinnesotaCare programs will be funded after the repeal.

1. **Conforming change.** Provides that references to the provider taxes in health care cost containment chapter are tied to the 1998 statutes, since the bill repeals the provider taxes.
2. **Conforming change.** Adds a definition of staff model health plan company, since the cross reference to the definition in the provider tax is repealed by the bill.
3. **Conforming change.** Eliminates the requirement that various health licensing boards assist the Commissioner of Revenue in activities related to the provider tax, since the bill repeals the provider tax.
4. **Conforming change.** Eliminates failure to comply with the provider tax as grounds for discipline by various health licensing boards, since the bill repeals the provider tax.
5. **Conforming change.** Eliminates references to the health care provider taxes that are repealed.
6. **Conforming change.** Ties references to the health care provider taxes to the 1998 statutes, since these sections are repealed.
7. **Hospital tax.** Reduces the rate of the hospital tax from 1.5 percent to 0.75 percent.
8. **Surgical center tax.** Reduces the rate of the surgical center tax from 1.5 percent to 0.75 percent.
9. **Provider tax.** Reduces the rate of the health care provider tax from 1.5 percent to 0.75 percent.
10. **Wholesale drug distributor tax.** Reduces the rate of the wholesale drug distributor tax from 1.5 percent to 0.75 percent.
11. **Repealer.** Repeals the authority to increase the health care tax rates from 1.5 percent to 2 percent, effective July 1, 1999, and the health care taxes generally, effective July 1, 2000.
12. **Effective date.** Provides the rate changes are effective on July 1, 1999 and the repeal of the
taxes is effective July 1, 2000.