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OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

FIRST REGULAR SESSION, 2007



ENROLLED

House Bill No. 2992

(By Delegates White, Kominar, Reynolds, Perdue,
Marshall, Iaquinta, Stalnaker, Ashley, Evans, Border and Walters)



Passed March 9, 2007

In Effect Ninety Days from Passage

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(BY DELEGATES WHITE, KOMINAR, REYNOLDS, PERDUE,
MARSHALL, IAQUINTA, STALNAKER, ASHLEY, EVANS, BORDER
AND WALTERS)

[Passed March 9, 2007; in effect ninety days from passage.]

AN ACT to amend and reenact §11-27-11 of the Code of West Virginia, 1931, as amended, relating to decreasing the health care provider tax imposed on gross receipts of providers of nursing facility services and setting forth effective date.

Be it enacted by the Legislature of West Virginia:

That §11-27-11 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 27. HEALTH CARE PROVIDER TAXES.

§11-27-11. Imposition of tax on providers of nursing facility services, other than services of intermediate care facilities for the mentally retarded.

- 1 (a) *Imposition of tax.* -- For the privilege of engaging or
- 2 continuing within this state in the business of providing
- 3 nursing facility services, other than those services of

4 intermediate care facilities for the mentally retarded, there is
5 hereby levied and shall be collected from every person
6 rendering such service an annual broad-based health care-
7 related tax: *Provided*, That hospitals which provide nursing
8 facility services may adjust nursing facility rates to the extent
9 necessary to compensate for the tax without first obtaining
10 approval from the health care authority: *Provided, however*,
11 That the rate adjustment is limited to a single adjustment
12 during the initial year of the imposition of the tax which
13 adjustment shall be exempt from prospective review by the
14 health care authority and further which is limited to an
15 amount not to exceed the amount of the tax which is levied
16 against the hospital for the provision of nursing facility
17 services pursuant to this section. The health care authority
18 shall retroactively review the rate increases implemented by
19 the hospitals under this section during the regular rate review
20 process. A hospital which fails to meet the criteria
21 established by this section for a rate increase exempt from
22 prospective review shall be subject to the penalties imposed
23 under article twenty-nine-b, chapter sixteen of the code.

24 (b) *Rate and measure of tax.* -- The tax imposed in
25 subsection (a) of this section shall be five and one-half
26 percent of the gross receipts derived by the taxpayer from
27 furnishing nursing facility services in this state, other than
28 services of intermediate care facilities for the mentally
29 retarded. This rate shall be increased to five and ninety-five
30 one hundredths percent of the gross receipts received or
31 receivable by providers of nursing facility services after the
32 thirtieth day of June, two thousand four and shall again be
33 decreased to five and one-half percent of the gross receipts
34 received or receivable by providers of nursing services after
35 the thirty-first day of October, two thousand seven.

36 (c) *Definitions.* --

37 (1) "Gross receipts" means the amount received or
38 receivable, whether in cash or in kind, from patients, third-
39 party payors and others for nursing facility services furnished
40 by the provider, including retroactive adjustments under
41 reimbursement agreements with third-party payors, without

42 any deduction for any expenses of any kind: *Provided*, That
43 accrual basis providers shall be allowed to reduce gross
44 receipts by their bad debts, to the extent the amount of such
45 bad debts was previously included in gross receipts upon
46 which the tax imposed by this section was paid.

47 (2) "Nursing facility services" means those services that
48 are nursing facility services for purposes of Section 1903(w)
49 of the Social Security Act.

50 (d) *Effective date*. -- The tax imposed by this section shall
51 apply to gross receipts received or receivable by providers
52 after the thirty-first day of May, one-thousand nine hundred
53 ninety-three.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Ch White

Chairman Senate Committee

[Signature]

Chairman House Committee

Originating in the House.

In effect ninety days from passage.

Darrell E. White

Clerk of the Senate

Suzanne M. Smith

Clerk of the House of Delegates

Carl Ray Tomblin

President of the Senate

[Signature]

Speaker of the House of Delegates

The within is approved this the 23rd
day of March, 2007.

[Signature]

Governor

PRESENTED TO THE
GOVERNOR

MAR 18 2007

Time

2:02 pm