

HCS HB 1181 -- HOSPITAL DISTRICT SALES TAXES

SPONSOR: Wilson, 119 (Dethrow)

COMMITTEE ACTION: Voted "do pass" by the Committee on Rural Community Development by a vote of 8 to 2.

This substitute authorizes hospital districts in certain counties, including Ripley County, upon voter approval, to abolish the hospital district property tax and impose a retail sales tax of up to 1% for funding the hospital district. Moneys collected from the tax will be deposited into the newly created Hospital District Sales Tax Fund with 1% retained and deposited into the General Revenue Fund by the Director of the Department of Revenue for the cost of collection.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Income on General Revenue Fund of \$0 or Unknown in FY 2010, FY 2011, and FY 2012. No impact on Other State Funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that a sales tax will allow the hospital district in Ripley County to raise more revenue than the current property tax system. This additional revenue is necessary for the hospital to provide adequate patient care.

Testifying for the bill was Representative Dethrow.

OPPOSERS: There was no opposition voiced to the committee.