

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Veterans and Emergency Preparedness

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO: Joint Tax Credits

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Cheyenne Ross, Administrator

Meeting Dates: 2/10

WHAT THE MEASURE DOES: Extends sunset on tax credit for provision of services under Tricare contract.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

BACKGROUND: Tricare is a health insurance program for service members, their dependents, and military retirees. The tax credit was created in 2007 as an incentive to encourage more civilian providers to accept Tricare insurance, primarily so that access to care would improve for rural veterans not near a military or VA facility. Providers were required to meet certain criteria, including serving a minimum number of Tricare patients annually, and be certified by the VA’s Office of Rural Health, in order to claim the credit. The number of certified providers increased over the four-year period the credit was available – from 500 in 2008, to 2,000 in 2011 – so it could logically be assumed that the number of Tricare patients receiving care likewise increased. The statute has been interpreted to prohibit certifications after 2011, and the tax credit is currently scheduled to sunset in 2016. (2016 Expiring Tax Credits, Research Report 2-15, Legislative Revenue Office, February 2015.)

Senate Bill 53 extends the sunset on the tax credit for accepting Tricare patients from 2016 to 2022.