

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, 3/3**WHAT THE MEASURE DOES:** Extends sunset on tax credit for provision of services under Tricare contract.**ISSUES DISCUSSED:**

- Types of providers that claimed credit
- Geographic areas where providers claimed credit
- Whether inferences could be drawn about purpose and/or efficacy of credit
- Cost

EFFECT OF COMMITTEE AMENDMENT: No 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 Office of Rural Health (ORH) 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). The statute has been interpreted to prohibit certifications by ORH 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 serving Tricare patients from 2016 to 2022.