

**Department of Legislative Services**  
 Maryland General Assembly  
 2004 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 967

(Delegate Hammen, *et al.*)

Health and Government Operations and Ways and Means

Budget and Taxation

**Income Tax - Health Care Coverage - Study**

This bill requires the Maryland Health Care Commission (MHCC), in consultation with the Maryland Insurance Administration and the Comptroller, to study and make recommendations on the use of income tax incentives and penalties as a means of increasing the number of individuals who purchase health care coverage. The commission is required to submit its report to the Governor and the General Assembly by January 1, 2005.

The bill takes effect June 1, 2004.

**Fiscal Summary**

**State Effect:** MHCC special fund expenditures and revenues could each increase by \$50,000 in FY 2005 as a result of conducting the study.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
SF Revenue	\$50,000	\$0	\$0	\$0	\$0
SF Expenditure	50,000	0	0	0	0
Net Effect	\$0	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** None applicable.

**State Fiscal Effect:** MHCC advises that that it would incur costs of approximately \$50,000 in fiscal 2005 in order to contract with a consultant to conduct the study. MHCC is specially funded through fees imposed on payors and providers. As a result of the increase in expenditures, MHCC would raise provider fees by an amount to exactly offset the increase in expenditures. The requirements of the bill could be absorbed within existing budgeted resources at the Comptroller's Office and Maryland Insurance Administration.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller's Office, Department of Health and Mental Hygiene, U.S. Department of Health and Human Services, Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2004  
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