

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7506

BILL NUMBER: HB 1752

NOTE PREPARED: Jan 13, 2003

BILL AMENDED:

SUBJECT: Sales Tax Exemption for Chiropractor Prescriptions.

FIRST AUTHOR: Rep. Mays

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill exempts the sale of orthopedic devices and other medical equipment from state Gross Retail Tax if prescribed by a chiropractor. The bill exempts the rental of medical equipment, supplies, and devices from State Gross Retail Tax if prescribed by a chiropractor.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: The Sales Tax exemption provided in this bill will reduce the state Sales and Use Tax revenue received from the sale and rental of certain medical equipment prescribed by a chiropractor. It is estimated that this bill could decrease state revenue by approximately \$225,000 each year. This estimate is based on industry specific data supplied by the Department of State Revenue and assumptions on the dollar value of goods prescribed by the state's chiropractors.

Revenue from the state's 6% Sales Tax revenue is deposited in the Property Tax Replacement Fund (50%), the State General Fund (49.192%), the Public Mass Transportation Fund (0.635%), the Commuter Rail Service Fund (0.14%), and the Industrial Rail Service Loan Fund (0.033%).

Background Information: As of October 21, 2002, 931 chiropractors were registered with the Health Professions Bureau.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources: Department of State Revenue; Health Profession's Bureau.

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