

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2263/1	Introduction Number AB-445
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Subject
 Individual income tax credit for dentists who are under-reimbursed by Medical Assistance

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DHFS/ Ellen Hadidian (608) 266-8155	Authorized Signature Andy Forsaith (608) 266-7684	Date 6/22/2005
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Fiscal Estimate Narratives

DHFS 6/23/2005

LRB Number	05-2263/1	Introduction Number	AB-445	Estimate Type	Original
Subject					
Individual income tax credit for dentists who are under-reimbursed by Medical Assistance					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a nonrefundable individual and corporate income tax credit for dentists for certain costs of providing dental services that are not reimbursed under the Medical Assistance program. Dentists participating in the program may claim 50% of the dentist's unreimbursed costs that are incurred in a taxable year. The credit may be claimed only up to the taxpayer's tax liability. AB 445 defines unreimbursed costs as the difference between a dentist's usual and customary charges for providing services and the amount paid to the dentist for the services by Medical Assistance.

AB 445 may increase the number of providers willing to participate in the Medicaid program. This tax credit is estimated to be the equivalent of a 50% increase in fees. It is likely that the credit would increase Medicaid participation and services by 20% to 50%. As a result, total program costs would increase by \$7.6 million AF (\$3.2 million GPR) to \$19 million AF (\$8 million GPR) annually, based on FY 04 total program costs of \$38 million AF.

Long-Range Fiscal Implications