

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7440
BILL NUMBER: HB 2056

DATE PREPARED: Jan 23, 1999
BILL AMENDED:

SUBJECT: Hepatitis B Immunizations.

FISCAL ANALYST: Alan Gossard
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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides a state income tax credit for food service establishments that pay for Hepatitis B immunizations for their resident employees. The bill limits the credit to the lesser of \$150 per employee or the customary amount paid for the same immunization under the state employee health coverage program. The bill applies to taxable years that begin after December 31, 1999.

Effective Date: January 1, 2000.

Explanation of State Expenditures: There would be some minimal administrative costs for the Department of Revenue to revise tax forms, instructions and computer programs to implement this provision.

Explanation of State Revenues: This bill provides a dollar-for-dollar tax credit for the cost of Hepatitis B immunizations of employees of food service establishments. The credit is applicable to the Gross Income Tax, the Adjusted Gross Income Tax, and the Supplemental Net Income Tax.

Based on a reported 194,413 employees in Indiana bars and restaurants and a usual and customary fee of \$64.20 currently paid by one of the state employee health plans, the total exposure of the state to revenue loss is about \$12.5 million for the current employee population. There would be additional exposure in future years from new entrants into the food service industry. (A Hepatitis B vaccination is effective for 18 years.) The initial revenue loss would occur in FY2001 since it applies to tax years which begin after December 31, 1999.

The total value of credits actually taken will likely be less than \$12.5 million for several reasons. The credit is not refundable and will, thus, be limited by the tax liability of individual food service establishments for the tax year that the expenses are made. Also, not all employees of food service establishments, nor will all employers, choose to participate in the immunization due to perceived need or the relative cost of immunization compared to the credit limitation.

Tax revenue for these taxes is deposited in the General Fund and the Property Tax Replacement Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Revenue

Local Agencies Affected:

Information Sources: Charles Baer, Department of Workforce Development, 232-7750.
Keith Beesley, Department of Personnel, 232-3062.