By Representative Beech

RFD: Ways and Means General Fund

First Read: 08-SEP-15
ENROLLED, An Act,

Relating to the privilege tax upon providers of pharmaceutical services; to provide a supplemental privilege tax of 15 cents for each prescription filled or refilled for a citizen of Alabama to be collected during fiscal years 2016 and 2017.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Effective August 1, 2015 September 1, 2015, there is hereby created a supplemental privilege tax on the business activities of every provider of pharmaceutical services to the citizens of Alabama, except for a pharmacy, or portion thereof, serving hospital in-patients or pharmacies owned or operated by the State of Alabama or an agency thereof for collection in fiscal years 2016 and 2017. The supplemental privilege tax imposed is in addition to all other taxes of any kind now imposed by law, including without limitation, the privilege taxes provided for under Article 1, Chapter 26B of Title 40, Code of Alabama 1975, and shall be at the rate of 15 cents for each prescription filled or refilled for a citizen of Alabama.

(b) The supplemental privilege tax created by this act shall be collected, administered, and distributed in the same manner as the privilege taxes provided for in Article 1, Chapter 26B of Title 40, Code of Alabama 1975.
Section 2. The Centers for Medicare and Medicaid Services (CMS) is the federal agency responsible for the administration and oversight of the State of Alabama Medicaid program. It is the intent of the Legislature that the revenue generated from this supplemental privilege tax will be eligible for Federal Medicaid Assistance Percentage (FMAP), being that portion of funds paid by the federal government to the State of Alabama for its federal share of expenditures for providing and administering the State’s Medicaid Program. The supplemental privilege tax imposed under this Act shall immediately cease to be imposed if CMS determines that the supplemental privilege tax under this Act is not eligible for FMAP.

Section 3. The Alabama Medicaid Agency shall file with CMS a Medicaid State Plan amendment requesting an appropriate increase in the pharmacy dispensing fee included in the state reimbursement amount paid to participating pharmacies and/or pharmacist no later than 60 days after the effective date of this Act. Subject to CMS approval, Medicaid shall seek an effective date of October 1, 2015 for the Medicaid State Plan amendment. The supplemental privilege tax imposed under this Act shall immediately cease to be imposed if CMS fails to approve an appropriate dispensing fee pursuant to a properly filed Medicaid State Plan amendment.
Section 4. The supplemental privilege tax imposed under this Act shall immediately cease to be imposed if the dispensing fee is reduced below the proposed increase referenced in Section 3.

Section 5. The supplemental privilege tax imposed under this act shall cease to be collected on or before September 30, 2017 unless enabling legislation for its continuance is enacted by the Legislature.

Section 6. This act shall become effective immediately following its passage and approval by the Governor or its otherwise becoming law.
Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives
I hereby certify that the within Act originated in
and was passed by the House 10-SEP-15, as amended.

Jeff Woodard
Clerk

Senate  15-SEP-15  Passed