

1 HB8  
2 171700-4  
3 By Representative Beech  
4 RFD: Ways and Means General Fund  
5 First Read: 08-SEP-15

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2 ENROLLED, An Act,

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

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. (a) Effective ~~August 1, 2015~~ September 1,  
10 2015, there is hereby created a supplemental privilege tax on  
11 the business activities of every provider of pharmaceutical  
12 services to the citizens of Alabama, except for a pharmacy, or  
13 portion thereof, serving hospital in-patients or pharmacies  
14 owned or operated by the State of Alabama or an agency thereof  
15 for collection in fiscal years 2016 and 2017. The supplemental  
16 privilege tax imposed is in addition to all other taxes of any  
17 kind now imposed by law, including without limitation, the  
18 privilege taxes provided for under Article 1, Chapter 26B of  
19 Title 40, Code of Alabama 1975, and shall be at the rate of 15  
20 cents for each prescription filled or refilled for a citizen  
21 of Alabama.

22 (b) The supplemental privilege tax created by this  
23 act shall be collected, administered, and distributed in the  
24 same manner as the privilege taxes provided for in Article 1,  
25 Chapter 26B of Title 40, Code of Alabama 1975.

1           Section 2. The Centers for Medicare and Medicaid  
2       Services (CMS) is the federal agency responsible for the  
3       administration and oversight of the State of Alabama Medicaid  
4       program. It is the intent of the Legislature that the revenue  
5       generated from this supplemental privilege tax will be  
6       eligible for Federal Medicaid Assistance Percentage (FMAP),  
7       being that portion of funds paid by the federal government to  
8       the State of Alabama for its federal share of expenditures for  
9       providing and administering the State's Medicaid Program. The  
10      supplemental privilege tax imposed under this Act shall  
11      immediately cease to be imposed if CMS determines that the  
12      supplemental privilege tax under this Act is not eligible for  
13      FMAP.

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

1           Section 4. The supplemental privilege tax imposed  
2     under this Act shall immediately cease to be imposed if the  
3     dispensing fee is reduced below the proposed increase  
4     referenced in Section 3.

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

9           Section 6. This act shall become effective  
10    immediately following its passage and approval by the Governor  
11    or its otherwise becoming law.

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Speaker of the House of Representatives

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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

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15-SEP-15

Passed