COUNTY AND TRANSIT AUTHORITY PERMISSIVE SALES & USE TAX COLLECTIONS FROM MEDICAID HEALTH INSURING CORPORATIONS COMPARED TO PERMISSIVE SALES & USE TAXES DISTRIBUTED FOR CALENDAR YEARS 2010-2017 (SEPTEMBER DISTRIBUTIONS).

Am. Sub. HB 1 (128th General Assembly’s Biennial Budget Bill for FY 2010-FY 2011) subjected to sales taxation all health care services provided or arranged by a Medicaid Health Insuring Corporation (MHIC) for Medicaid enrollees residing in Ohio under the MHIC’s contract with the state effective October 1, 2009, unless the taxation of those services is determined to be impermissible for Medicaid financing by the Centers for Medicare and Medicaid Services (US Department of Health).1 The Bill designated the MHIC as the consumer of the services it provides. Therefore, the MHIC is liable for and must pay the tax, under a direct pay permit, on the services it provides to Ohio Medicaid recipients. The sales are situated at the county location of the enrollee for whom the MHIC receives the premium payment and the price of the transaction is the amount of monthly managed care premium the MHIC receives.

This table displays the MHICs’ remittances on their respective direct pay accounts by month and compares that to the total permissive county and transit authority sales and use tax distributions for that month. For example, permissive sales and use taxes remitted to the state in November are then distributed to the counties and transit authorities in January. The data would then show the collections from MHICs in November (to be distributed in January) compared to the total January permissive sales and use tax distributions.

Calendar Year 2016 is the last full year of collections of tax from MHICs. Cuyahoga County had the most permissive sales and use tax collections from MHICs in dollar terms at approximately $29.6 million while Holmes County had the least at approximately $0.1 million (statewide average of approximately $2.2 million across all counties and transit authorities). As a percentage of total permissive sales and use tax distributions, Vinton County had the largest percentage at 24.2 percent while Delaware County had the smallest at 1.6 percent (statewide average of 8.2 percent across all counties and transit authorities).

Distributions from January-September 2017 distribution, the last sales and use tax distribution that includes MHICs, are also reflected.

- MHIC Collections

1 ORC 5739.01(B)(11).