

CITY OF ANAHEIM FOR-PROFIT HOSPITAL GROSS RECEIPTS TAX INITIATIVE

Summary

This initiative would impose a general tax on each for-profit general acute care hospital located in the City of Anaheim ("Hospital") equivalent to three (3) percent of the for-profit hospital's gross receipts.

Covered Hospitals

Hospitals, as defined in California Health and Safety Code section 1250(a), that operate within the borders of Anaheim, excluding non-profit hospitals, would be subject to this tax. The type of "hospital" defined by Section 1250(a) is a "general acute care hospital" which is generally "a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services."

Amount and Use of Tax

The amount of the tax would be three (3) percent of the Hospital's gross receipts, to be paid annually. Proceeds from the tax would be deposited into the City of Anaheim's general fund.

Apportionment

Hospitals subject to the tax could request from the City that the Hospital's gross receipts be apportioned according to the amount of business activity the Hospital has within Anaheim or the State of California. The City Tax Administrator (the City Treasurer or Director of Finance) would be responsible for determining the appropriate formula for apportionment and the amount of gross receipts to be apportioned, based on the information provided by the Hospital. The Hospital may request a modification to any determination made by the Tax Administrator.

Effective Date

The tax would take effect on January 1 of the year following voter approval, and the tax would be assessed on an annual basis that year and thereafter.