Revenue and Taxation; hospital finances

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Revenue and Taxation

Revenue and Taxation; hospital finances


Existing law limits the income\(^1\) of a nonprofit hospital\(^2\) to a maximum of seven percent above operating expenses.\(^3\) Chapter 190 allows a nonprofit hospital to include the performance of a rural affiliate\(^4\) or subsidiary\(^5\) in income to expense calculations.\(^6\) In order to qualify for inclusion in the determination of the hospital's allowable income, the rural operating unit must be licensed, located in a county with 30,000 or fewer people, and supply proof each year of its legal status as an affiliate of the hospital for the fiscal year\(^7\) upon which the calculation is to be made.\(^8\)

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5. See id. (definition of affiliate).
6. Id.
7. See id. (definition of fiscal year).
8. Id.