142.303 Tax on gross revenues of providers for hospital services -- Exception.

(1)   A tax is hereby imposed at a rate of two and one-half percent (2.5%) on gross revenues received by all providers on or after July 15, 1994, for the provision of hospital services. The tax imposed by this section shall not apply to gross revenues received for dispensing outpatient prescription drugs subject to tax under KRS 142.311.

(2)   (a)   Notwithstanding any other provision of the Kentucky Revised Statutes to the contrary, beginning in state fiscal year 2008-2009 and continuing annually thereafter, the tax imposed under subsection (1) of this section on providers of hospital services who paid taxes in state fiscal year 2005-2006 shall be assessed on gross revenues received by the provider during state fiscal year 2005-2006. Notwithstanding KRS 142.301 to 142.363, hospital provider taxes due in state fiscal year 2008 and continuing annually thereafter shall be paid in twelve (12) equal monthly installments, with each payment due no later than twenty (20) days after the last day of each calendar month. At least thirty (30) days prior to the beginning of the state fiscal year, the Department of Revenue shall send written notice to each provider of hospital services of the provider's total tax liability for the year, which shall be the amount the provider paid in taxes in state fiscal year 2005-2006. The provisions of this paragraph also shall apply if the hospital subsequently undergoes a change in ownership.

(b)   If a hospital was not in operation during state fiscal year 2005-2006, the hospital shall be taxed pursuant to the provisions of subsection (1) of this section, provided that, upon request of the provider, the Department of Revenue may adjust the hospital's annual tax liability in accordance with the gross revenues of a comparable hospital.