

ACTION ALERT



Tax-Exempt Status

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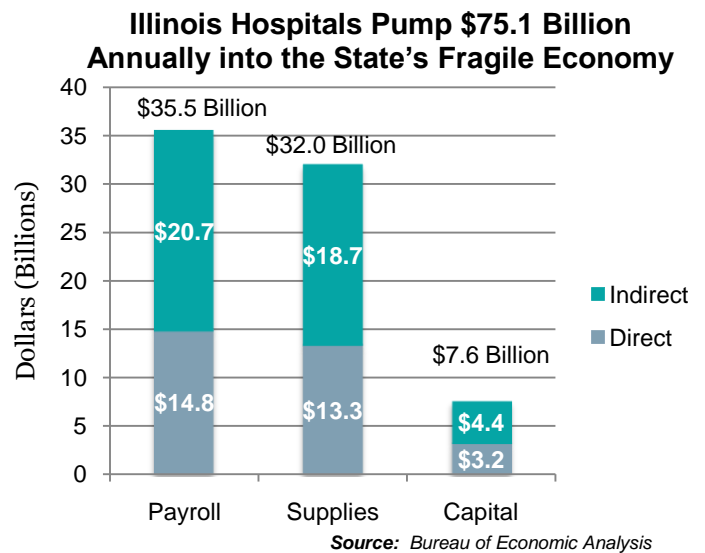
Preserving the Tax-Exempt Status of Illinois' Nonprofit Hospitals

Illinois Hospitals: Critical for Patients, Health Care and Jobs

Despite years of litigation, the issue of property and sales tax exemptions for Illinois nonprofit hospitals – and all charitable organizations – remains muddled and vexing. **Requiring Illinois nonprofit hospitals across the state to pay hundreds of millions of dollars in taxes will damage the state's health care system and the local and state economies, and kill jobs.**

FACTS:

- Through tax exemption, the state demonstrates its partnership with hospitals to provide health care to all Illinoisans, regardless of their ability to pay.
- Hospitals also provide important benefits to their communities by serving government-sponsored patients (Medicaid and Medicare) for less than cost, subsidizing critical services like trauma and ER care, as well as educating and training physicians and other health care professionals.
- In recent years, the standards for obtaining tax exemption in Illinois have become very confused – creating a great deal of uncertainty.
- Taxing hospitals will harm one of the few job-creating sectors in the state as well as damage the health care system and result in higher health care costs for everyone – patients, employers and businesses. Hospitals facing the enormous cost of new taxes will have to consider hiring freezes, layoffs and downsizing.
- In August 2011, the Department of Revenue issued preliminary rulings denying property tax-exemptions for three Illinois hospitals.
- The Governor has put a hold on any further rulings providing an opportunity for the hospital community and key stakeholders to develop recommendations on a legislative solution.



The Illinois Hospital Association stands ready to work with legislators, the Administration, Department of Revenue, the Attorney General's Office and other key stakeholders to craft a workable, global legislative solution that establishes reasonable standards for property tax exemption and safeguards hospitals as vital health care providers and employers.

ACTION REQUESTED:

Support a legislative tax-exemption solution that provides clear standards for charitable tax exemption and that ensures Illinois hospitals can continue to provide high quality health care to the people and communities of Illinois.