



Tax News and Views Health Care Edition

Illinois Appellate Court Finds Hospital Property Tax Exemption Constitutional

On December 22, the Illinois Appellate Court, First District, found in *Oswald v. Hamer* that Provision 35 ILCS 200/15-86 does not violate the constitutional requirement that property be used for exclusively charitable purposes for it to be exempted from tax. Provision 35 ILCS 200/15-86 states that hospitals whose charitable activities add up to at least as much as their estimated property tax bills “shall be issued a charitable exemption for that property.”

In its finding the First District Court found that use of the word “shall” did not indicate a requirement to issue an exemption because of a lack of consequences for failure to comply. The First District Court concluded that the provision “is directory in nature” citing previous property tax challenges resolved in the same way and the Illinois General Assembly’s use of language in the statute that declares their intent not to “declare any property exempt ipso facto, but rather to establish criteria to be applies to the facts on a case-by-case basis.”

The finding of the First District Court conflicts with the Fourth District Court’s decision in *Carle Township v. Cunningham Township* which found the law unconstitutional. The Illinois Supreme Court is scheduled to hear arguments in that case January 12.

Find it Fast

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President Obama Signs 21st Century Cures Act

Did you know?

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President Obama on Tuesday, December 13, 2016, signed into law H.R. 34, the 21st Century Cures Act. Although the law focuses largely on the Food and Drug Administration, the National Institutes of Health, and issues of primary interest to life sciences companies, the new law includes provisions with significant implications for health care providers and health plans, especially those offering Medicare Advantage products. The provisions in some cases will affect compliance plans, Medicare payments, and strategic opportunities for organizations, making it imperative that provider and plan leaders take time to review how the 21st Century Cures Act might affect their organization.

Highlights of key provisions affecting health plans and health care providers are provided [here](#).

Do you follow Deloitte's Reg Pulse Blog? The Blog gives updates on what Deloitte is hearing on Capitol Hill including write-ups on key legislation and how it affects health care entities. The Reg Pulse Blog can be found [here](#).

Deloitte Thoughtware

[Deloitte Center for Health Solutions](#). The source for health care insights: The Deloitte Center for Health Solutions (DCHS) is the research division of Deloitte's Life Sciences and Health Care practice. The goal of DCHS is to inform stakeholders across the health care system about emerging trends, challenges, and opportunities.

[Health Care Current](#). Weekly insights to keep you informed and ahead. This weekly series explores breaking news and developments in the US health care industry; examines key issues facing life sciences and health care companies; and provides updates and insights on policy, regulatory, and legislative changes.

Did you know?

Supreme Court To Hear Pension Plan Cases

The Supreme Court has decided to hear arguments in *Advocate Health Care v. Stapleton*, 16-74, *Saint Peter's Healthcare v. Kaplan*, 16-86 and *Dignity Health v. Rollins*, 16-258. The cases discuss whether church affiliated health care providers are exempt from the requirement to fully fund and insure their pension plans. In each case, the applicable appeals court of Chicago, Philadelphia, San Francisco ruled that the exemption from fully funding and insuring pension plans applies only to plans that were established by a church.

IRS Issues Final Arbitrage Regulations

On December 9, 2016, the IRS issued final treasury regulations under Section 1.148 which are effective for all sales of bonds after June 6, 2017. The final regulations put in place the rules for determining the issue price of tax exempt bonds for purposes of the arbitrage investment restrictions.

TE/GE Releases New IDR Process

On November 21, 2016, the Tax Exempt and Government Entities division (TE/GE) released new procedures for issuing Information Document Requests (IDRs) and a best-practices guide to make the IDR process more effective. In the release TE/GE states that the procedures and best practices were established "to carry out our examination responsibilities, maximize taxpayer communication, and increase transparency and internal manager/agent collaboration." TE/GE goes on to state that "this process seeks to overcome issues that lead to prolonged cycle time and undue taxpayer burden."

New [IDR processes](#) go into effect April 1, 2017.

Deloitte Dbriefs

Deloitte Dbriefs are live webcasts that give you valuable insights on important developments affecting your business. Register for the following webcasts or view archived recordings by clicking on the respective hyperlinked button below.

Global Mobility, Talent, & Rewards

Lost in translation: Differing applications of income tax treaties and social security agreements

February 1 | 2 p.m. ET | 19:00 GMT

Over the past few years, governments have narrowed the application of tax treaties and created traps and other liabilities for unwary employees and their employers. What does this mean for your employees working overseas, either on a short-term or long-term basis? Learn how application of tax treaties and social security agreements in certain countries can impact globally mobile employees and their employers.

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Federal Tax

Subchapter C update: Recent developments and opportunities

February 7 | 2 p.m. ET | 19:00 GMT

The Subchapter C area of tax focuses on the taxation of corporate transactions, including acquisitions, incorporations, domestic and international reorganizations, liquidations, distributions, redemptions, and dispositions. What are some of the recent technical developments, opportunities, and marketplace trends in the Subchapter C area that can impact your company? Learn about the latest developments in the Subchapter C area and the potential implications for your company's corporate tax transactions.

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Multistate Tax

State tax controversies 2017: A new year, new challenges

February 14 | 2 p.m. ET | 19:00 GMT

As the digital, virtual, and service-based economy expands, state revenue agencies in various states are seeking to keep pace through aggressive enforcement efforts. What new concerns should tax executives consider in 2017? Gain insights into the latest trends in state tax enforcement, controversies arising from them, and ways to prepare for potential state tax audits.

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Health Sciences

At the heart of health care: When patients become engaged power players

February 15 | 1 p.m. ET | 18:00 GMT

As the health care landscape evolves, patients are transforming from passive users of health care services to engaged power players in the health care ecosystem. How can health care providers, health plans, and life sciences companies work together to transform patient engagement? Learn how health care providers, health plans, and life sciences companies can develop strategies to target engaged health care users.

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International Tax

Cross-border M&A: How could new US and EU guidance impact your business?

February 16 | 2 p.m. ET | 19:00 GMT

Recent guidance and publications issued by the IRS, US Treasury Department, and other tax authorities around the world are impacting many multinational businesses, especially those engaged in M&A activities with other multinational organizations. What are the emerging issues tax executives should consider in cross-border M&A decisions? Explore emerging tax issues relating to cross-border M&A and how they could impact your organization.

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Tax Operations

Forces of change: How the future of tax is being transformed today

February 23 | 2 p.m. ET | 19:00 GMT

Transformative changes are taking place world-wide that are challenging traditional tax department operating models. Which of these forces will require decisive action from tax executives in the near term and ongoing? Learn about important forces of change that are impacting tax departments and how forward-looking tax executives are beginning to respond.

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Health Sciences

How social determinants can help manage costs and improve patient outcomes

February 21 | 1 p.m. ET | 18:00 GMT

Health outcomes are largely determined by environmental and social factors, yet health care organizations do not address them. With the shift to value-based care, health care organizations that adopt strategies for addressing social determinants may see significant returns. Learn how social determinants may have a tremendous impact on the US health care system going forward.

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