



TaxNewsFlash

Exempt Organizations

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House committee approves bill to add new reporting requirements for tax-exempt hospitals

The House Committee on Ways and Means today marked up and approved a bill to establish new annual reporting requirements for tax-exempt hospital organizations.

[H.R. 9504](#), "Tax Exempt Hospital Transparency Act," would require these organizations to disclose audited financial statements, community health needs assessments, and financial assistance policy metrics on annual returns filed with the IRS.

Under the bill, large tax-exempt hospital organizations—defined as those with more than 100 staffed inpatient beds—and high-revenue organizations with net patient revenues exceeding \$100 million would face additional reporting, including separate facility-by-facility disclosures. High-revenue hospitals would also have to report advertising costs, specified Federal 340B Drug Discount Program information, and health service line data mapped to a standardized taxonomy. The requirements would generally apply to tax years beginning after the date that is one year after the publication of this taxonomy by the Department of Health and Human Services (HHS), with smaller exempt hospitals receiving a three-year post-enactment transition period for certain disclosures.

Finally, the bill would direct the Government Accountability Office (GAO) to initiate a study within three years of enactment. In addition to estimating Treasury administrative costs and hospital compliance costs, the resulting GAO report would be required to estimate the income tax that would have been imposed on each of the 25 largest tax-exempt hospital organizations if they were not exempt from tax.

Read more:

- [JCT description](#)
- [Amendment in the nature of a substitute](#)
- [JCT description of the amendment in the nature of a substitute](#)

The proposed bill was considered as part of a larger House Committee on Ways and Means markup of several tax-related measures, which included bills addressing tax penalties on hostages, fraud victim relief, taxpayer advocate participation, artificial intelligence (AI) integrity, ghost return preparers, and taxpayer workforce modernization. [Read TaxNewsFlash](#)

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