

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	August 25, 2020	<input checked="" type="checkbox"/>	Consent	<input type="checkbox"/>	Regular
		<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Public Hearing
Department:	Risk Management				
Submitted By:	Risk Management				
Submitted For:	Group Insurance Division				

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:


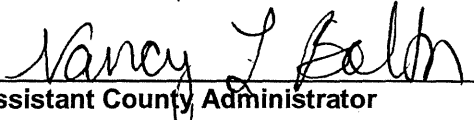
- A) **ratify** the signature of the Mayor on Quarterly Federal Excise Tax Return Form 720, and payment of the Patient-Centered Outcomes Research Institute (PCORI) fee, in the amount of \$18,616, to the Internal Revenue Service under the provisions of the Affordable Care Act (ACA); and
- B) **authorize** the County Administrator, or designee, to execute future Quarterly Federal Excise Tax Returns (Form 720) on behalf of the Board of County Commissioners; and
- C) **authorize** future payments of the Patient Protection and Affordable Care Act annual fee as required.

Summary: The Patient Protection and Affordable Care Act (PPACA) imposed an annual fee on plan sponsors of certain self-insured health plans to help fund PCORI. The County sponsors self-insured health plans that are considered specified health plans under the provisions of the ACA, and is therefore required to pay this annual fee. The PCORI fee was anticipated to be a seven (7) year program ending December 31, 2019. Earlier this year, Congress voted to extend this program until the end of 2029. The fee is \$2.54 per average covered life, totaling \$18,616 annually. The regulations require the annual fee to be reported on the Quarterly Federal Excise Tax Return Form 720 (specifically noted on Part II of the form), which must be executed by the Board of County Commissioners. The emergency signature process was utilized because there was not sufficient time to submit the Quarterly Federal Excise Tax Return Form 720 through the regular BCC agenda process. Countywide (HH)

Background and Justification: The PCORI was implemented and designed under the PPACA to assist patients, clinicians, purchasers and policy-makers in making informed health decisions by advancing comparative clinical effectiveness research. The Institute is funded by a trust fund, which, in turn, is partially funded by fees paid by issuers of health insurance policies and sponsors of self-insured health plans. This "comparative effectiveness research fee" applies to policy/plan years ending on or after 10/1/2012. The 2020 annual fee is \$2.54 per average covered life. It will increase each year to an amount indexed to national health expenditures until 2029, when it ends. Reporting and payment using IRS Form 720 is required by July 31 of the calendar year immediately following the last day of the policy or plan year.

Attachments:

- 1. Quarterly Federal Excise Tax Return Form 720

Recommended by:		<u>7/27/2020</u>
	Department Director	Date
Approved by:		<u>8/4/20</u>
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Capital Expenditures					
Operating Costs	18,616				
External Revenue					
Program Income					
In-Kind Match (County)					

Is Item Included In Proposed Budget:

Yes X No

Budget Account Exp No.: Fund 5012 Dept 700 Unit 7315 Obj 4901


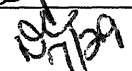
Does this item include the use of federal funds? Yes No X

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: 

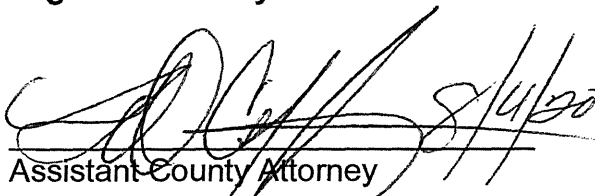
III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 7/30/2020
OFMB  8/7/20

 8/3/2020
Contract Development and Control

B. Legal Sufficiency:

 8/4/20
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Quarterly Federal Excise Tax Return

▶ See the Instructions for Form 720.
▶ Go to www.irs.gov/Form720 for instructions and the latest information.

OMB No. 1545-0023

Check here if:
 Final return
 Address change

Name	Quarter ending
BOARD OF COUNTY COMMISSIONERS PALM BEACH COUNTY	07/31/2020
Number, street, and room or suite no. (If you have a P.O. box, see the instructions.)	Employer identification number
301 N OLIVE AVE	59-6000785
City or town, state or province, country, and ZIP or foreign postal code	
WEST PALM BEACH, FL, USA, 33401	

FOR IRS USE ONLY

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Part I

IRS No.	Environmental Taxes (attach Form 6627)	Tax	IRS No.
18	Domestic petroleum oil spill tax		18
21	Imported petroleum products oil spill tax		21
98	Ozone-depleting chemicals (ODCs)		98
19	ODC tax on imported products		19
	Communications and Air Transportation Taxes (see instructions)	Tax	
22	Local telephone service and teletypewriter exchange service		22
26	Transportation of persons by air*		26
28	Transportation of property by air*		28
27	Use of international air travel facilities*		27
	Fuel Taxes	Number of gallons	Rate
60	(a) Diesel, tax on removal at terminal rack		\$.244
	(b) Diesel, tax on taxable events other than removal at terminal rack		.244
	(c) Diesel, tax on sale or removal of biodiesel mixture (not at terminal rack)		.244
104	Diesel-water fuel emulsion		.198
105	Dyed diesel, LUST tax		.001
107	Dyed kerosene, LUST tax		.001
119	LUST tax, other exempt removals (see instructions)		.001
35	(a) Kerosene, tax on removal at terminal rack (see instructions)		.244
	(b) Kerosene, tax on taxable events other than removal at terminal rack		.244
69	Kerosene for use in aviation (see instructions)		.219
77	Kerosene for use in commercial aviation (other than foreign trade)**		.044
111	Kerosene for use in aviation, LUST tax on nontaxable uses		.001
79	Other fuels (see instructions)		
62	(a) Gasoline, tax on removal at terminal rack		.184
	(b) Gasoline, tax on taxable events other than removal at terminal rack		.184
13	Any liquid fuel used in a fractional ownership program aircraft		.141
14	Aviation gasoline		.194
112	Liquefied petroleum gas (LPG) (see instructions)		.183
118	"P Series" fuels		.184
120	Compressed natural gas (CNG) (see instructions)		.183
121	Liquefied hydrogen		.184
122	Fischer-Tropsch process liquid fuel from coal (including peat)		.244
123	Liquid fuel derived from biomass		.244
124	Liquefied natural gas (LNG) (see instructions)		.243

* No tax on amounts paid for transportation from March 28, 2020, through December 31, 2020. See instructions.

** Tax is \$.001 per gallon on removals from March 28, 2020, through December 31, 2020. See instructions.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **720** (Rev. 4-2020)

IRS No.		Rate	Tax	IRS No.
33	Retail Tax —Truck, trailer, and semitrailer chassis and bodies, and tractor	12% of sales price		33
29	Ship Passenger Tax Transportation by water	Number of persons Rate \$3 per person	Tax	29
31	Other Excise Tax Obligations not in registered form	Amount of obligations Rate \$.01	Tax	31
30	Foreign Insurance Taxes —Policies issued by foreign insurers	Premiums paid	Rate	30
	Casualty insurance and indemnity bonds		\$.04	
	Life insurance, sickness and accident policies, and annuity contracts		.01	
	Reinsurance		.01	
Manufacturers Taxes				
		Number of tons	Sales price	
36	Coal—Underground mined		\$1.10 per ton	36
37			4.4% of sales price	37
38	Coal—Surface mined		\$.55 per ton	38
39			4.4% of sales price	39
108	Taxable tires other than bias ply or super single tires	Number of tires	Tax	108
109	Taxable bias ply or super single tires (other than super single tires designed for steering)			109
113	Taxable tires, super single tires designed for steering			113
40	Gas guzzler tax. Attach Form 6197. Check if one-time filing <input type="checkbox"/>			40
97	Vaccines (see instructions)			97
	Reserved for future use	Sales price		
			2.3% of sales price	
1 Total. Add all amounts in Part I. Complete Schedule A unless one-time filing				\$ 0 00

Part II

IRS No.	Patient-Centered Outcomes Research Fee (see instructions)	(a) Avg. number of lives covered (see inst.)	(b) Rate for avg. covered life	(c) Fee (see instructions)	Tax	IRS No.
133	Specified health insurance policies				18,616	133
	(a) With a policy year ending before October 1, 2019		\$2.45			
	(b) With a policy year ending on or after October 1, 2019, and before October 1, 2020		\$2.54			
	Applicable self-insured health plans					
	(c) With a plan year ending before October 1, 2019		\$2.45			
	(d) With a plan year ending on or after October 1, 2019, and before October 1, 2020	7,329	\$2.54	18,616		
41	Sport fishing equipment (other than fishing rods and fishing poles)		Rate	10% of sales price	Tax	41
110	Fishing rods and fishing poles (limits apply, see instructions)		Rate	10% of sales price		110
42	Electric outboard motors		Rate	3% of sales price		42
114	Fishing tackle boxes		Rate	3% of sales price		114
44	Bows, quivers, broadheads, and points		Rate	11% of sales price		44
106	Arrow shafts		Rate	\$.52 per shaft		106
140	Indoor tanning services		Rate	10% of amount paid		140
64	Inland waterways fuel use tax	Number of gallons	Rate	\$.29	Tax	64
125	LUST tax on inland waterways fuel use (see instructions)		Rate	.001		125
51	Section 40 fuels (see instructions)					51
117	Biodiesel sold as but not used as fuel					117
20	Floor Stocks Tax—Ozone-depleting chemicals (floor stocks). Attach Form 6627.					20
2 Total. Add all amounts in Part II					\$ 18,616 00	

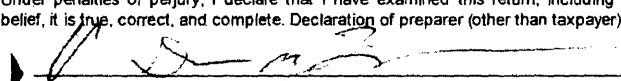
Part III

3	Total tax. Add Part I, line 1, and Part II, line 2			3	18,616	00
4	Claims (see instructions; complete Schedule C)		4		0	00
5	Deposits made for the quarter	5				
<input type="checkbox"/> Check here if you used the safe harbor rule to make your deposits.						
6	Overpayment from previous quarters	6				
7	Enter the amount from Form 720-X included on line 6, if any	7				
8	Add lines 5 and 6		8		0	00
9	Add lines 4 and 8			9		0 00
10	Balance Due. If line 3 is greater than line 9, enter the difference. Pay the full amount with the return (see instructions)			10	18,616	00
11	Overpayment. If line 9 is greater than line 3, enter the difference. Check if you want the overpayment: <input type="checkbox"/> Applied to your next return, or <input type="checkbox"/> Refunded to you.			11		0 00

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete the following. No

Designee name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature:  Date: _____ Title: MAYOR

Type or print name below signature. ▶ DAVE KERNER Telephone number ▶ _____

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
FRANK LUCAS		07/01/2020		P00995244
Firm's name ▶ RSM US LLP	Firm's EIN ▶ 42-0714325			
Firm's address ▶ 1555 PALM BEACH LAKES BLVD, SUITE 700. WPB, FL 33401	Phone no. 561-697-1785			