

## **240 - Taxes Assessed Against the Medicare HCPP**

**(Rev. 30, 09-05-03)**

The general rule is that taxes assessed against the Medicare HCPP, in accordance with the levying enactments of the several states and lower levels of government, and for which the organization is liable for payment, are allowable costs. Tax expense should not include fines and penalties.

Whenever exemptions to taxes are legally available, the Medicare HCPP is expected to take advantage of them. If the HCPP does not take advantage of available exemptions, the expenses incurred for such taxes are not recognized as allowable under the program.

More detail can be found in the Medicare Provider Reimbursement Manual (Pub. 15), Part I, §§2122.