



# Rhode Island Medical Imaging v. Sullivan (Providence Cnty. Ct., State of RI and Providence Plantations)

Topics Covered: Taxation of Physicians

## **Issue**

The issue in this case is whether a statute that taxes certain "providers" of medical imaging services is constitutional.

## **AMA Interest**

The AMA opposes discriminatory taxes on physician services.

## **Case Summary**

The Rhode Island Medical Society (RIMS) challenged the constitutionality of two statutory "surcharges" (actually, taxes) on medical services. One of the surcharges was imposed on medical imaging services, and the other was imposed on ambulatory surgery and endoscopy services. Each surcharge was equal to 2% of patient revenue received.

Four medical groups and an individual physician sued the Administrator of the Rhode Island Department of Revenue to prevent enforcement of the surcharge statutes. The plaintiffs contended that the statutory language was vague, confusing, and illogical. According to the plaintiffs, the statutes irrationally discriminated between taxpayers who were in the same class and provided the same services. Specifically, the surcharges applied to certain diagnostic imaging services but not to all and to some, but not all, ambulatory surgery centers. Thus, allegedly, the statutes were facially void under the Due Process and Equal Protection Clauses of the state and federal constitutions.

On November 9, 2010, the court entered judgment against the plaintiffs on all counts.

## **Litigation Center Involvement**

The Litigation Center paid a portion of the plaintiffs' litigation expenses.