



# TaxNewsFlash

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## KPMG report: Telemedicine and tax (COVID-19)

The coronavirus (COVID-19) pandemic served as an unexpected catalyst driving newfound popularity of virtual healthcare. Recent changes to regulatory and reimbursement rules for telemedicine further boosted its appeal as a safe healthcare option.

Despite being around for decades, telemedicine's accelerated acceptance thrust the need for greater clarity on tax guidance into the spotlight. Existing guidance does not delve into the digital world, leaving much up to interpretation, such as:

- What defines the doctor and patient relationship in the virtual world?
- What federal income tax issues apply to both taxable and tax-exempt healthcare providers who employ telemedicine?
- When the use of telemedicine crosses state lines, what are the state and local tax consequences?
- What tax issues arise with health plan accounts, R&D tax accounts, and international tax implications?

Read a [2020 report](#) [PDF 590 KB] from KPMG LLP that examines various tax considerations relating to telemedicine and explores several hypothetical scenarios providing possible interpretations of tax outcomes.

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