

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Senators North, Koivisto, McManus, Schwarz, Dunaskiss, Gougeon, Cisky, Peters, DeGrow, Schuette, Young, Shugars, Carl and Vaughn

ENROLLED SENATE BILL No. 479

AN ACT to amend 1967 PA 281, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts," (MCL 206.1 to 206.532) by adding section 267.

The People of the State of Michigan enact:

Sec. 267. (1) Except as otherwise provided in this section, for the 2000 tax year through the 2010 tax year, a qualified taxpayer with a full-time primary health care practice may claim a credit equal to \$5,000.00 against the tax imposed by this act for a maximum of 5 consecutive tax years and a qualified taxpayer with a part-time primary health care practice may claim a credit equal to \$5,000.00 multiplied by a fraction the numerator of which is the average number of hours per week of that part-time primary health care practice and the denominator of which is 40. A fraction under this subsection shall not be greater than 1.

(2) A qualified taxpayer who was an intern or resident in a designated area for not less than 6 months may claim the credit under this section for an amount of time he or she was an intern or resident in the designated area in addition to the 5 years as provided under subsection (1). The additional credit amount shall be equal to the number of consecutive months that the qualified taxpayer spent in the designated area as an intern or resident not to exceed 1 year.

(3) A qualified taxpayer who is participating in the Michigan essential health provider program or J-1 visa program may claim the credit allowed under this section only in the 5 tax years beginning in the year after which the taxpayer has completed his or her obligation under that program.

(4) If a qualified taxpayer interrupts his or her full-time or part-time primary health care practice to participate in a continuing education program or a medically related sabbatical that lasts more than 1 year, the qualified taxpayer may claim the credit allowed under this section for any 5 tax years within the 8 consecutive tax years that include the program or sabbatical and that begin with the first year that the qualified taxpayer claimed a credit under this section.

(5) If the credit allowed under this section exceeds the taxpayer's tax liability for the tax year, that portion that exceeds the tax liability for the tax year shall not be refunded and shall not be carried forward.

(6) The department of community health shall certify to the department of treasury that a taxpayer who claims a credit under this section is a physician, dentist, physician's assistant, nurse practitioner, or nurse midwife with a full-time or part-time primary health care practice in a designated area or, only as provided in subsection (8), in a nondesignated area.

(7) A taxpayer who claims the credit under this section shall attach to his or her annual return on which the credit is claimed an affidavit, in a form prescribed by the department or that contains substantially the same information as that prescribed by the department, that states that the taxpayer meets all of the conditions and criteria for claiming the credit under this section.

(8) If the department of community health changes the designation of an area from that of a designated area to that of a nondesignated area, the qualified taxpayer may continue to claim the credit as allowed in this section.

(9) On or before December 31, 2003, the department of treasury shall report the number and costs of credits allowed under this section to the senate and house of representatives standing committees responsible for health care issues and to the director of the department of community health. On or before December 31, 2003, the department of community health shall report the number, location, and practice specialties of the physicians, dentists, physician's assistants, nurse practitioners, and nurse midwives who claimed the credit allowed under this section to the senate and house of representatives standing committees responsible for health care issues.

(10) As used in this section:

(a) "Dentist" means that term as defined in section 16601 of the public health code, 1978 PA 368, MCL 333.16601.

(b) "Designated area" means a health professional shortage area as certified by the director of the department of community health.

(c) "Full-time primary health care practice" means a health care practice of 40 hours or more per week by a physician, dentist, physician's assistant, nurse practitioner, or nurse midwife who practices in 1 of the following specialties:

(i) Family practice.

(ii) General practice.

(iii) Pediatrics.

(iv) Internal medicine.

(v) Obstetrics and gynecology.

(vi) Dentistry.

(d) "Intern" means a licensed allopathic or osteopathic physician who is enrolled in an approved internship program through a hospital and who rotates through different medical specialties as part of his or her general medical training.

(e) "Medicaid" means the program of medical assistance administered by the department of community health under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(f) "Nurse practitioner" and "nurse midwife" mean those terms as described in section 17210 of the public health code, 1978 PA 368, MCL 333.17210.

(g) "Part-time primary health care practice" means a health care practice of less than 40 hours per week by a physician, dentist, physician's assistant, nurse practitioner, or nurse midwife who practices in 1 of the following specialties:

(i) Family practice.

(ii) General practice.

(iii) Pediatrics.

(iv) Internal medicine.

(v) Obstetrics and gynecology.

(vi) Dentistry.

(h) "Physician" means that term as defined in section 17001(1)(c) or 17501(1)(b) of the public health code, 1978 PA 368, MCL 333.17001 and 333.17501.

(i) "Physician's assistant" means that term as defined in section 2701 of the public health code, 1978 PA 368, MCL 333.2701.

(j) "Qualified taxpayer" means a physician, dentist, physician's assistant, nurse practitioner, or nurse midwife who meets either of the following conditions or a dentist who meets either of the following conditions:

(i) Is a physician, dentist, physician's assistant, nurse practitioner, or nurse midwife who meets all of the following criteria:

(A) Has a full-time or part-time primary health care practice in a designated area.

(B) Accepts medicaid or medicare eligible patients.

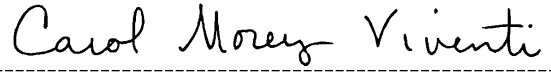
(C) His or her practice includes medicaid or medicare eligible patients.

(ii) Is a physician, dentist, physician's assistant, nurse practitioner, or nurse midwife other than a physician, dentist, physician's assistant, nurse practitioner, or nurse midwife who meets the conditions under subparagraph (i) if 50% of

his or her practice consists of patients with medicaid coverage regardless of the source of payment for the service provided.

(k) "Resident" means a licensed physician who is enrolled in an approved residency program through a hospital in a specific practice area as part of his or her training for a medical specialty and who has direct patient care responsibility.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved _____

Governor.