



# HOUSE BILL No. 5247

February 1, 2000, Introduced by Reps. Thomas, Schauer, Hale, Bogardus, Scott, Schermesser, DeHart, Jacobs, Brater, Minore, Ehardt, Dennis and Daniels and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.532) by adding section 267.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 267. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,  
2 FOR THE 1999 TAX YEAR AND EACH TAX YEAR AFTER THE 1999 TAX YEAR,  
3 A QUALIFIED TAXPAYER WITH A FULL-TIME OR PART-TIME MEDICAL CARE  
4 PRACTICE MAY CREDIT \$5,000.00 AGAINST THE TAX IMPOSED BY THIS ACT  
5 FOR A MAXIMUM OF 5 CONSECUTIVE TAX YEARS. A CREDIT CLAIMED UNDER  
6 THIS SECTION BY A QUALIFIED TAXPAYER WITH A PART-TIME MEDICAL  
7 CARE PRACTICE SHALL EQUAL \$5,000.00 MULTIPLIED BY A FRACTION THE  
8 NUMERATOR OF WHICH IS THE AVERAGE NUMBER OF HOURS PER WEEK OF  
9 THAT PART-TIME MEDICAL CARE PRACTICE AND THE DENOMINATOR OF WHICH  
10 IS 40. A FRACTION UNDER THIS SUBSECTION SHALL NOT BE GREATER  
11 THAN 1.

1           (2) A QUALIFIED TAXPAYER WHO IS PARTICIPATING IN THE  
2 MICHIGAN ESSENTIAL HEALTH PROVIDER PROGRAM OR J-1 VISA PROGRAM  
3 MAY CLAIM THE CREDIT ALLOWED UNDER THIS SECTION ONLY IN THE 5 TAX  
4 YEARS BEGINNING IN THE YEAR AFTER WHICH THE TAXPAYER HAS COM-  
5 PLETED HIS OR HER OBLIGATION UNDER THAT PROGRAM.

6           (3) IF A QUALIFIED TAXPAYER INTERRUPTS HIS OR HER FULL-TIME  
7 OR PART-TIME MEDICAL CARE PRACTICE TO PARTICIPATE IN A CONTINUING  
8 EDUCATION PROGRAM OR A MEDICALLY RELATED SABBATICAL THAT LASTS  
9 MORE THAN 1 YEAR, THE QUALIFIED TAXPAYER MAY CLAIM THE CREDIT  
10 ALLOWED UNDER THIS SECTION FOR ANY 5 TAX YEARS WITHIN THE 8 CON-  
11 SECUTIVE TAX YEARS THAT INCLUDE THE PROGRAM OR SABBATICAL AND  
12 THAT BEGIN WITH THE FIRST YEAR THAT THE QUALIFIED TAXPAYER  
13 CLAIMED A CREDIT UNDER THIS SECTION.

14           (4) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX  
15 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS  
16 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,  
17 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR  
18 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX  
19 LIABILITY IN SUBSEQUENT TAX YEARS FOR 5 YEARS OR UNTIL USED UP,  
20 WHICHEVER OCCURS FIRST.

21           (5) THE DEPARTMENT OF COMMUNITY HEALTH SHALL CERTIFY TO THE  
22 DEPARTMENT OF TREASURY WHETHER A TAXPAYER WHO CLAIMS A CREDIT  
23 UNDER THIS SECTION IS A QUALIFIED TAXPAYER OR, ONLY AS PROVIDED  
24 IN SUBSECTION (7), IS A PHYSICIAN WHO HAS A FULL-TIME OR  
25 PART-TIME MEDICAL CARE PRACTICE IN A NONDESIGNATED AREA.

26           (6) A TAXPAYER WHO CLAIMS THE CREDIT UNDER THIS SECTION  
27 SHALL ATTACH TO HIS OR HER ANNUAL RETURN ON WHICH THE CREDIT IS

1 CLAIMED AN AFFIDAVIT, IN A FORM PRESCRIBED BY THE DEPARTMENT OR  
2 THAT CONTAINS SUBSTANTIALLY THE SAME INFORMATION, THAT STATES  
3 THAT THE TAXPAYER MEETS ALL OF THE CONDITIONS AND CRITERIA FOR  
4 CLAIMING THE CREDIT UNDER THIS SECTION.

5 (7) IF, AFTER A QUALIFIED TAXPAYER HAS CLAIMED A CREDIT  
6 ALLOWED IN THIS SECTION, THE DEPARTMENT OF COMMUNITY HEALTH  
7 CHANGES THE DESIGNATION OF THE AREA WHERE THE TAXPAYER'S MEDICAL  
8 PRACTICE IS LOCATED FROM THAT OF A DESIGNATED AREA TO THAT OF A  
9 NONDESIGNATED AREA, THE TAXPAYER MAY CONTINUE TO CLAIM THE CREDIT  
10 AS ALLOWED IN THIS SECTION AS IF THAT DESIGNATION HAD NOT BEEN  
11 CHANGED.

12 (8) AS USED IN THIS SECTION:

13 (A) "DESIGNATED AREA" MEANS A HEALTH PROFESSIONAL SHORTAGE  
14 AREA AS CERTIFIED BY THE DIRECTOR OF THE DEPARTMENT OF COMMUNITY  
15 HEALTH.

16 (B) "FULL-TIME MEDICAL CARE PRACTICE" MEANS A PHYSICIAN'S  
17 MEDICAL PRACTICE OF 40 HOURS OR MORE PER WEEK.

18 (C) "PART-TIME MEDICAL CARE PRACTICE" MEANS A PHYSICIAN'S  
19 MEDICAL PRACTICE OF LESS THAN 40 HOURS PER WEEK.

20 (D) "PHYSICIAN" MEANS THAT TERM AS DEFINED IN SECTION  
21 17001(1)(C) OR 17501(1)(B) OF THE PUBLIC HEALTH CODE, 1978  
22 PA 368, MCL 333.17001 AND 333.17501, WHO IS BOARD CERTIFIED IN 1  
23 OF THE FOLLOWING SPECIALTIES:

24 (i) CARDIOLOGY.

25 (ii) FAMILY PRACTICE.

26 (iii) GENERAL PRACTICE.

1 (iv) NEPHROLOGY.

2 (v) PEDIATRICS.

3 (vi) INTERNAL MEDICINE.

4 (E) "QUALIFIED TAXPAYER" MEANS A PHYSICIAN WHO HAS A  
5 FULL-TIME MEDICAL CARE PRACTICE OR PART-TIME MEDICAL CARE PRAC-  
6 TICE IN A DESIGNATED AREA.