

SENATE BILL NO. 402

March 3, 1999, Introduced by Senators NORTH, KOIVISTO, MC MANUS, BULLARD, SCHWARZ and SHUGARS and referred to the Committee on Health 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 THROUGH THE 2010 TAX YEAR, A QUALIFIED TAX-
3 PAYER WITH A FULL-TIME OR PART-TIME PRIMARY CARE MEDICAL PRACTICE
4 MAY CREDIT \$5,000.00 AGAINST THE TAX IMPOSED BY THIS ACT FOR A
5 MAXIMUM 1 PERIOD OF 5 CONSECUTIVE TAX YEARS. A CREDIT CLAIMED
6 UNDER THIS SECTION BY A QUALIFIED TAXPAYER WITH A PART-TIME PRI-
7 MARY CARE MEDICAL PRACTICE SHALL EQUAL \$5,000.00 MULTIPLIED BY A
8 FRACTION THE NUMERATOR OF WHICH IS THE AVERAGE NUMBER OF HOURS
9 PER WEEK OF THAT PART-TIME PRIMARY CARE MEDICAL PRACTICE AND THE
10 DENOMINATOR OF WHICH IS 40. A FRACTION UNDER THIS SUBSECTION
11 SHALL NOT BE GREATER THAN 1.

1 (2) A QUALIFIED TAXPAYER WHO IS PARTICIPATING IN THE
2 MICHIGAN ESSENTIAL HEALTH PROVIDER PROGRAM, J-1 VISA PROGRAM, OR
3 OTHER SIMILAR PROGRAM OF INCENTIVES TO PROVIDE MEDICAL CARE IN
4 UNDERSERVED AREAS MAY CLAIM THE CREDIT ALLOWED UNDER THIS SECTION
5 ONLY IN THE 5 TAX YEARS BEGINNING IN THE YEAR AFTER WHICH THE
6 TAXPAYER HAS COMPLETED HIS OR HER OBLIGATION UNDER THAT PROGRAM.

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

15 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE
16 TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION THAT
17 EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE REFUNDED
18 AND SHALL NOT BE CARRIED FORWARD.

19 (5) THE DEPARTMENT OF COMMUNITY HEALTH SHALL CERTIFY TO THE
20 DEPARTMENT OF TREASURY THAT A TAXPAYER WHO CLAIMS A CREDIT UNDER
21 THIS SECTION IS A QUALIFIED TAXPAYER OR, ONLY AS PROVIDED IN SUB-
22 SECTION (7), IS A PHYSICIAN WHO HAS A FULL-TIME OR PART-TIME MED-
23 ICAL CARE PRACTICE IN A NONDESIGNATED AREA.

24 (6) A TAXPAYER WHO CLAIMS THE CREDIT UNDER THIS SECTION
25 SHALL ATTACH TO HIS OR HER ANNUAL RETURN ON WHICH THE CREDIT IS
26 CLAIMED AN AFFIDAVIT, IN A FORM PRESCRIBED BY THE DEPARTMENT OR
27 THAT CONTAINS SUBSTANTIALLY THE SAME INFORMATION AS THAT

1 PRESCRIBED BY THE DEPARTMENT, THAT STATES THAT THE TAXPAYER MEETS
2 ALL OF THE CONDITIONS AND CRITERIA FOR CLAIMING THE CREDIT UNDER
3 THIS SECTION.

4 (7) IF, AFTER A QUALIFIED TAXPAYER HAS CLAIMED A CREDIT
5 ALLOWED UNDER THIS SECTION, THE DEPARTMENT OF COMMUNITY HEALTH
6 CHANGES THE DESIGNATION OF THE AREA IN WHICH THE QUALIFIED
7 TAXPAYER'S FULL-TIME OR PART-TIME MEDICAL CARE PRACTICE IS
8 LOCATED FROM THAT OF A DESIGNATED AREA TO THAT OF A NONDESIGNATED
9 AREA, HE OR SHE MAY CONTINUE TO CLAIM THE CREDIT AS ALLOWED IN
10 THIS SECTION FOR THE 24-MONTH PERIOD FOLLOWING THE CHANGE IN DES-
11 IGNATION BUT NOT TO EXCEED THE MAXIMUM NUMBER OF YEARS FOR WHICH
12 THE QUALIFIED TAXPAYER IS OTHERWISE ELIGIBLE TO CLAIM THE CREDIT
13 UNDER THIS SECTION.

14 (8) ON OR BEFORE DECEMBER 31, 2005, THE DEPARTMENT OF TREA-
15 SURY SHALL REPORT THE NUMBER AND COSTS OF CREDITS ALLOWED UNDER
16 THIS SECTION TO THE SENATE AND HOUSE OF REPRESENTATIVES STANDING
17 COMMITTEES RESPONSIBLE FOR HEALTH CARE ISSUES AND TO THE DIRECTOR
18 OF THE DEPARTMENT OF COMMUNITY HEALTH. ON OR BEFORE DECEMBER 31,
19 2005, THE DEPARTMENT OF COMMUNITY HEALTH SHALL REPORT THE NUMBER,
20 LOCATION, AND PRACTICE SPECIALTIES OF THE PHYSICIANS WHO CLAIMED
21 THE CREDIT ALLOWED UNDER THIS SECTION TO THE SENATE AND HOUSE OF
22 REPRESENTATIVES STANDING COMMITTEES RESPONSIBLE FOR HEALTH CARE
23 ISSUES.

24 (9) AS USED IN THIS SECTION:

25 (A) "ABORTION" AND "MEDICAL EMERGENCY" MEAN THOSE TERMS AS
26 DEFINED IN SECTION 17015 OF THE PUBLIC HEALTH CODE, 1978 PA 368,
27 MCL 333.17015.

1 (B) "DESIGNATED AREA" MEANS A HEALTH PROFESSIONAL SHORTAGE
2 AREA AS CERTIFIED BY THE DIRECTOR OF THE DEPARTMENT OF COMMUNITY
3 HEALTH.

4 (C) "FULL-TIME PRIMARY CARE MEDICAL PRACTICE" MEANS A MEDI-
5 CAL PRACTICE OF 40 HOURS OR MORE PER WEEK BY A PHYSICIAN WHO IS
6 BOARD CERTIFIED IN 1 OF THE FOLLOWING SPECIALTIES:

7 (i) FAMILY PRACTICE.

8 (ii) GENERAL PRACTICE.

9 (iii) PEDIATRICS.

10 (iv) INTERNAL MEDICINE.

11 (v) OBSTETRICS AND GYNECOLOGY.

12 (D) "MEDICAID" MEANS THE PROGRAM OF MEDICAL ASSISTANCE
13 ADMINISTERED BY THE DEPARTMENT OF COMMUNITY HEALTH UNDER THE
14 SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.1 TO 400.119B.

15 (E) "PART-TIME PRIMARY CARE MEDICAL PRACTICE" MEANS A MEDI-
16 CAL PRACTICE OF LESS THAN 40 HOURS PER WEEK BY A PHYSICIAN WHO IS
17 BOARD CERTIFIED IN 1 OF THE FOLLOWING SPECIALTIES:

18 (i) FAMILY PRACTICE.

19 (ii) GENERAL PRACTICE.

20 (iii) PEDIATRICS.

21 (iv) INTERNAL MEDICINE.

22 (v) OBSTETRICS AND GYNECOLOGY.

23 (F) "PHYSICIAN" MEANS THAT TERM AS DEFINED IN SECTION
24 17001(1)(C) OR 17501(1)(B) OF THE PUBLIC HEALTH CODE, 1978
25 PA 368, MCL 333.17001 AND 333.17501.

1 (G) "QUALIFIED TAXPAYER" MEANS A PHYSICIAN WHO DOES NOT
2 PERFORM ABORTIONS EXCEPT IN CASES OF MEDICAL EMERGENCY AND WHO
3 MEETS ALL OF THE FOLLOWING CONDITIONS:

4 (i) HAS A FULL-TIME OR PART-TIME PRIMARY CARE MEDICAL PRAC-
5 TICE IN A DESIGNATED AREA.

6 (ii) ACCEPTS MEDICAID OR MEDICARE ELIGIBLE PATIENTS.

7 (iii) HIS OR HER PRACTICE INCLUDES MEDICAID OR MEDICARE ELI-
8 GIBLE PATIENTS.