

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 59** SLS 19RS 97  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 1, 2019 12:41 PM	<b>Author:</b> LONG
<b>Dept./Agy.:</b> Revenue / Dept of Health	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Income Tax Credit For Physician's Assistants	

TAX/INCOME/PERSONAL EN -\$77,000 GF RV See Note Page 1 of 1  
 Adds physician assistants to persons eligible for reduction to their individual income tax. (8/1/19)

Present law provides a nonrefundable income tax credit of \$3,600 for five years to physicians, dentists, and primary care nurse practitioners that practice in defined high need or rural areas for at least three years and except medicaid and medicare patients. Total credits are capped at \$1.5 million per year, and no credits are available for applications after January 1, 2021.

Proposed law adds licensed primary care physician's assistants and licensed optometrists as eligible for the credit.

EXPENDITURES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)	<b>(\$385,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>(\$77,000)</b>	<b>(\$77,000)</b>	<b>(\$77,000)</b>	<b>(\$77,000)</b>	<b>(\$77,000)</b>	<b>(\$385,000)</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

Under current law, the Revenue Dept. Tax Expenditure Budget reports that eligible taxpayers have realized an average of approximately \$500,000 per year in total reductions in state tax liabilities (average of last three years FY16 - FY18). According to 2017 occupational data from the La Workforce Commission (LWC), there are approximately 8,400 physicians, dentists, and nurse practitioners employed in the state, implying over \$30 million of maximum credit exposure to the state fisc. Actual credit realizations of only 1.7% of this maximum amount reflect the eligibility restrictions and tax liability limitations of the credit.

LWC occupational data for 2018 indicates 1,060 physician assistants employed in the state, implying a maximum credit exposure to the state of \$3.8 million per year associated with these taxpayers. Assuming eligibility restrictions and tax liability limitations for this group have a similar impact on their maximum exposure as for the existing taxpayers participating in the credit (only 1.7% of the maximum exposure likely to be realized), then adding this occupational group to the credit will reduce state liabilities by an additional \$65,000 per year.

LWC occupational data for 2018 indicates 190 optometrists employed in the state, implying a maximum credit exposure to the state of \$684,000 per year associated with these taxpayers. Assuming eligibility restrictions and tax liability limitations for this group have a similar impact on their maximum exposure as for the existing taxpayers participating in the credit (only 1.7% of the maximum exposure likely to be realized), then adding this occupational group to the credit will reduce state liabilities by an additional \$12,000 per year.

Note: The fiscal note assumes that the bill's phrase "optometrist who is licensed by this state" does not include the occupation of opticians. LWC data indicates that there are 1,000 employed in the state in 2018, implying an additional exposure to the state of \$61,000 per year if included in the credit.

Senate  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**John D. Carpenter**  
**Legislative Fiscal Officer**