

2017 Regular Session

HOUSE BILL NO. 427

BY REPRESENTATIVE DUSTIN MILLER

TAX CREDITS: Provides relative to the tax credit for certain medical providers

1 AN ACT

2 To amend and reenact R.S. 47:297(H)(2)(a), (b), and (c) and (3) and to enact R.S.  
3 47:297(H)(4) through (7), relative to income tax credits for certain health care  
4 professionals; to provide for the income tax credit for certain medical professionals  
5 in medically underserved areas; to provide for eligibility; to require the Department  
6 of Health to receive and evaluate applications for the credit; to provide for the  
7 powers, duties, and functions of the Department of Health with respect to the credit;  
8 to limit the annual amount of the tax credits given; to provide for effectiveness; and  
9 to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:297(H)(2)(a), (b), and (c) and (3) are hereby amended and  
12 reenacted and R.S. 47:297(H)(4) through (7) are hereby enacted to read as follows:

13 §297. Reduction to tax due

14 \* \* \*

15 H.

16 \* \* \*

17 (2) The taxpayer shall:

18 (a) Be a certified medical ~~doctor (M.D.)~~ primary care health professional  
19 who is either a physician possessing an unrestricted license from this state to practice

1 medicine, ~~or be a dentist licensed by this state to practice dentistry, or a primary care~~  
2 nurse practitioner who is licensed by this state.

3 (b) If a ~~certified medical doctor~~ physician or nurse practitioner, establish and  
4 maintain, after July 1, 1991, the primary office of his practice within ~~twenty miles~~  
5 ~~of a community hospital not owned predominantly by other physicians, and both the~~  
6 ~~office and the hospital shall be located more than twenty miles from the nearest~~  
7 ~~incorporated city with a population in excess of thirty thousand persons, provided~~  
8 ~~that the medical doctor shall have relocated from outside of the service area of the~~  
9 ~~community hospital~~ an area which is both:

10 (i) A primary care high needs geographic health professional shortage area  
11 (HPSA) as designated by the U.S. Department of Health and Human Services'  
12 Health Resources Services Administration's Bureau of Health Workforce, Division  
13 of Policy and Shortage Designation (DPSD) as per Section 332 or the Public Health  
14 Service Act.

15 (ii) A rural area as defined in rules promulgated by the Louisiana Department  
16 of Health.

17 (c) If a dentist, establish and maintain, after July 1, 2002, the primary office  
18 of his practice within ~~a parish or other geographic area in the state~~ an area which is  
19 designated as a Dental Health Professional Shortage Area (HPSA) by the U.S.  
20 Department of Health and Human Services' Bureau of Primary Health Care, Division  
21 of Policy and Shortage Designation (DPSD) (DPSD) as per Section 332 of the Public  
22 Health Service Act and a rural area as defined in rules promulgated by the Louisiana  
23 Department of Health. Subject to the limits of Paragraph (3) of this Subsection, the  
24 provisions of this Subsection will continue to be available to the dentist if the Dental  
25 HPSA designation is withdrawn after the practice is established at that location.

26 \* \* \*

27 (3) The provisions of this Subsection shall be available to a physician,  
28 primary care nurse practitioner, or dentist for only one relocation and only for a  
29 maximum of five years. In the event that the physician, primary care nurse

1 practitioner, or dentist ceases to comply with these provisions within the three-year  
2 period, all taxes reduced hereunder shall be subject to recapture pursuant to rules  
3 promulgated by the department.

4 (4) The Louisiana Department of Health shall be responsible for receiving  
5 and evaluating applications for the credit and certifying the qualifications and  
6 eligibility of taxpayers for the credit. In compliance with the Administrative  
7 Procedure Act, the Louisiana Department of Health shall adopt and promulgate rules  
8 as are necessary for the performance of these functions in keeping with the purpose  
9 for which the credit is enacted. The Louisiana Department of Health shall work  
10 together with the secretary of the Department of Revenue in the development and  
11 promulgation of rules. The rules shall include provisions for an application process  
12 through which the Louisiana Department of Health may certify the eligibility of a  
13 primary care health professional for receipt of the tax credit and the qualification of  
14 a primary care health professional to claim the credit against state tax liability.

15 (5) The total amount of tax credits granted by the Louisiana Department of  
16 Health in any calendar year shall not exceed one million five hundred thousand  
17 dollars. The Louisiana Department of Health shall by rule establish the method of  
18 allocating available tax credits to primary care health professionals including but not  
19 limited to a first-come, first-served system, reservation of tax credits for a specific  
20 time period, or other method which the Louisiana Department of Health, in its  
21 discretion, may find beneficial.

22 (6) The provisions of this Subsection shall be subject to a review by the  
23 House Committee on Ways and Means and the Senate Committee on Revenue and  
24 Fiscal Affairs. Such review may include an evaluation of the increase or decrease in  
25 primary care health professionals who meet the qualifications of this Subsection.

26 (7) The provisions of this Subsection shall be effective for all taxable periods  
27 ending prior to January 1, 2021.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 427 Original

2017 Regular Session

Dustin Miller

**Abstract:** Changes the qualifications for the tax credit for health care providers who relocate to certain underserved areas of the state, sets a \$1.5 million annual cap on the amount of the credits, requires the La. Dept. of Health administer the program, and limits the credit to taxable periods ending prior to Jan. 1, 2021.

Present law authorizes tax credits of up to five years for medical doctors who establish and maintain their primary office within 20 miles of a community hospital not owned predominately by other physicians, provided both the office and hospital are located more than 20 miles from the nearest city of 30,000 or more, and the physician relocates the office from outside the hospital's service area.

Proposed law deletes the criteria in present law and provides the tax credit to licensed physicians and primary care nurse practitioners whose primary offices are within a federally designated primary care needs geographic health professional shortage area and within a rural area as defined by the La. Dept. of Health (LDH).

Present law provides a tax credit for up to five years to dentists who establish and maintain a primary office within a federally designated Dental Health Professional Shortage Area.

Proposed law retains present law and additionally requires that the dentist office be located in a rural area as defined by LDH.

Proposed law requires that LDH be responsible for receiving applications for the tax credit and certifying the eligibility of taxpayers for the credit. Requires the secretary of LDH, working with the secretary of the Dept. of Revenue, to develop and promulgate rules in accordance with the APA for the performance of LDH's responsibilities, including an application process for certifying the eligibility of primary care health providers to receive the credit and to claim the credit.

Proposed law limits the total amount of tax credits given to \$1.5 million per year. Requires LDH to establish a method of allocating available tax credits, such as first-come, first-served, reservations of tax credits, or another method LDH finds beneficial.

Proposed law is subject to a review by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs. Such review may include an evaluation of the increase or decrease in the number of qualifying professionals.

Proposed law limits the effectiveness of the tax credit under present and proposed law to taxable periods ending prior to January 1, 2021.

(Amends R.S. 47:297(H)(2)(a), (b), and (c) and (3); Adds R.S. 47:297(H)(4)-(7))