

2017 Regular Session

SENATE BILL NO. 171

BY SENATOR BARROW

TAX/INCOME/PERSONAL. Provides for an income tax credit for physicians who provide uncompensated care to indigent patients. (gov sig)

1 AN ACT

2 To enact R.S. 47:297.14 relative to tax credits; to provide for an individual income tax credit
3 for physicians who provide medical care to indigent patients; to provide for the rate
4 of the credit; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:297.14 is hereby enacted to read as follows:

7 **§297.14. Indigent medical care provider tax credit**

8 **A. For taxable periods beginning January 1, 2019, there shall be a**
9 **nonrefundable tax credit for physicians for a percentage of the cost of providing**
10 **unreimbursed medical care to an indigent patient.**

11 **B. Definitions.**

12 **(1) "Indigent patient" means a patient who receives medical care whose**
13 **care is not paid for by a health insurance provider, Medicaid, Medicare, private**
14 **funds, or any other funding source.**

15 **(2) "Cost" means the compensation for the service provided to the**
16 **indigent patient determined at lowest rate accepted by the physician from any**
17 **insurance provider, including Medicare and Medicaid.**

1 (3) "Unreimbursed" means that the physician received no payment from
2 any source for providing the patient care and is not eligible to claim any other
3 state or federal income tax deduction related for the unpaid care.

4 C. Applicable credit percentage.

5 (1) For taxable years beginning on or after January 1, 2019, and ending
6 before January 1, 2021, the credit shall be fifteen percent of the cost of
7 providing unreimbursed medical care to an indigent patient.

8 (2) For taxable years beginning on or after January 1, 2021, and ending
9 before January 1, 2023, the credit shall be twenty percent of the cost of
10 providing unreimbursed medical care to an indigent patient.

11 (3) For taxable years beginning on or after January 1, 2023, and ending
12 before January 1, 2025, the credit shall be twenty-five percent of the cost.

13 (4) For taxable years beginning on or after January 1, 2025, and ending
14 before January 1, 2027, the credit shall be thirty percent of the cost of providing
15 unreimbursed medical care to an indigent patient.

16 (5) For taxable years beginning on or after January 1, 2027, and ending
17 before January 1, 2029, the credit shall be thirty-five percent of the cost of
18 providing unreimbursed medical care to an indigent patient.

19 (6) For taxable years beginning on or after January 1, 2029, and ending
20 before January 1, 2031, the credit shall be forty percent of the cost of providing
21 unreimbursed medical care to an indigent patient.

22 (7) For taxable years beginning on or after January 1, 2031, and ending
23 before January 1, 2033, the credit shall be forty-five percent of the cost of
24 providing unreimbursed medical care to an indigent patient.

25 (8) For taxable years beginning on or after January 1, 2033, the credit
26 shall be fifty percent of the cost of providing unreimbursed medical care to an
27 indigent patient.

28 D. Credit recapture. In the event that the physician later receives
29 compensation for the medical care for which this credit was claimed, the

1 **physician shall file an amended individual income tax return reducing the credit**
 2 **claim as necessary.**

3 Section 2. This Act shall become effective upon signature by the governor or, if not
 4 signed by the governor, upon expiration of the time for bills to become law without signature
 5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 7 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 171 Original

2017 Regular Session

Barrow

Present law provides for an individual income tax that is based on the individual's federal adjusted gross income.

Proposed law provides for an individual income tax credit to physicians for a percentage of the cost of providing unreimbursed medical care to indigent patients.

Proposed law provides that the credit shall be available beginning in the 2019 tax year and will increase from 15% by five percent every two years until it reaches its maximum rate of 50% in 2033.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:297.14)