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Primary Care Access Credit Program Annual Report

SFY 2023-2024

Required by 36 MRS §5219-LL

Prepared by Department of Health and Human Services
Maine Center for Disease Control and Prevention, in
partnership with Department of Administrative
and Financial Services and Maine Revenue Services

Summary

The Department of Health and Human Services (Department) and Maine Revenue Services submits this annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters, pursuant to 36 MRS §5219-LL. This report indicates the number of eligible primary care professionals certified and decertified each year by the Department beginning with tax year 2014 after this credit became available as an incentive to eligible primary care professionals committed to practicing in underserved areas of Maine for at least five years. Also included in this report is the total annual loss of revenue up to state fiscal year 2023-24 with respect to those claims.

Background

"An Act to Create a Tax Credit for Primary Care Professionals Practicing in Underserved Areas" (also known as the Primary Care Access Credit Program) was enacted by the Maine Legislature in 2014 as Public Law 2013, c. 599 (L.D. 440) to create an income tax credit program for new primary care professionals who located their practices in underserved areas of Maine. In 2015, the Legislature amended the law to extend the program to primary care professionals who currently practice in underserved areas. (Public Law 2015, c. 108 (L.D. 740)). In 2018, the Legislature again amended the law to increase the number of eligible primary care professionals that may be certified each year from five to ten and extended the tax credit to tax years after 2018.

The program, available for tax years beginning on or after January 1, 2014, provides a tax incentive to eligible primary care professionals. The professional must agree to practice in an underserved area for at least five years, must have an unpaid student loan for course work directly related to that person's training in primary care medicine, and must be certified as eligible for the program by the Department.

The Department is authorized to certify up to five individuals each year for the program through 2018 and up to ten individuals each year thereafter and must monitor continued eligibility of each individual. An individual previously certified may be decertified if it is determined that the individual no longer meets the eligibility criteria for the program.

Each person certified as eligible by the Department may claim an income tax credit for up to five years not exceeding \$6,000 the first year of eligibility, \$9,000 in the second year, \$12,000 in the third year, \$15,000 in the fourth year and \$18,000 in the fifth year. The credit may not reduce the individual's income tax to less than zero. Unused credit amounts may not be carried over to any other tax year.

Primary Care Access Credit Program Data and Related Activities

Rulemaking

Rules governing procedures for certification and decertification by DHHS were established effective May 19, 2016 and last amended October 12, 2021.

Program Certifications

Three (3) individuals have been certified for the program as eligible to claim the credit beginning with tax year 2014.

Five (5) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2015. The three (3) individuals certified eligible to claim the credit beginning with tax year 2014 have been determined to also be eligible to claim the credit for tax year beginning in 2015.

Five (5) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2016. Two (2) individuals certified eligible to claim the credit beginning with tax year 2014 and five (5) individuals certified eligible to claim the credit beginning with tax year 2015 have been determined to also be eligible to claim the credit for tax year beginning in 2016.

Five (5) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2017. Two (2) individuals certified eligible to claim the credit beginning with tax year 2014, four (4) individuals certified eligible to claim the credit beginning with tax year 2015, and five (5) individuals certified eligible to claim the credit beginning with tax year 2016 have been determined to also be eligible to claim the credit for tax year beginning in 2017.

Six (6) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2018. Two (2) individuals certified eligible to claim the credit beginning with tax year 2014, four (4) individuals certified eligible to claim the credit beginning with tax year 2015, five (5) individuals certified eligible to claim the credit beginning with tax year 2016, and five (5) individuals certified eligible to claim the credit beginning with tax year 2017 have been determined to also be eligible to claim the credit for tax year beginning in 2018.

Ten (10) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2019. Three (3) individuals certified eligible to claim the credit beginning with tax year 2015, four (4) individuals certified eligible to claim the credit beginning with tax year 2016, four (4) individuals certified eligible to claim the credit beginning with tax year 2017, and five (5) individuals certified eligible to claim the credit beginning with tax year 2018 have been determined to also be eligible to claim the credit for tax year beginning in 2019.

Three (3) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2020. Four (4) individuals certified eligible to claim the credit beginning with tax year 2016, four (4) individuals certified eligible to claim the credit beginning with tax year 2017, four (4) individuals certified eligible to claim the credit beginning with tax year 2018, and nine (9) individuals certified eligible to claim the credit beginning with tax year 2019 have been determined to be eligible to claim the credit for tax year 2020.

Nine (9) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2021. Two (2) individuals certified eligible to claim the credit beginning with tax year 2017, three (3) individuals certified eligible to claim the credit beginning with tax year 2018, five (5) individuals certified eligible to claim the credit beginning with tax year 2019, and one (1) individual certified eligible to claim the credit beginning with tax year 2020 have been determined to be eligible to claim the credit for tax year 2021.

Six (6) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2022. One (1) individual certified eligible to claim the credit beginning with tax year 2018, four (4) individuals certified eligible to claim the credit beginning with tax year 2019, and four (4) individuals certified eligible to claim the credit beginning with tax year 2021 have been determined to be eligible to claim the credit for tax year 2022.

Nine (9) new individuals have been certified for the program as eligible to claim the credit beginning with tax year 2023. Two (2) individuals certified eligible to claim the credit beginning with tax year 2019, three (3) individuals certified eligible to claim the credit beginning with tax year 2021, and four (4)

individuals certified eligible to claim the credit beginning with tax year 2022 have been determined to be eligible to claim the credit for tax year 2023.

Revenue Report

No primary care access credits were claimed prior to July 1, 2016. Credits were claimed from July 1, 2016 through December 31, 2016, all of which related to tax years beginning in 2014 and 2015. The total loss of General Fund revenue for state fiscal year 2016-17 with respect to those claims was less than \$50,000.

From January 1, 2017 through June 30, 2017, credits were claimed for tax years beginning in 2015 and 2016. The additional total loss of General Fund revenue for state fiscal year 2016-17 with respect to those claims was less than \$60,000. Combined with the claims filed in 2016, the total loss of General Fund revenue for state fiscal year 2016-17 was less than \$110,000.

From July 1, 2017 through June 30, 2018, credits were claimed for tax years beginning in 2017. The total loss of General Fund revenue for the state fiscal year 2017-18 with respect to those claims was less than \$105,000.

From July 1, 2018 through June 30, 2019, credits were claimed for tax years beginning in 2018. The total loss of General Fund revenue for the state fiscal year 2018-19 with respect to those claims was less than \$152,000.

From July 1, 2019 through June 30, 2020, credits were claimed for tax years beginning in 2019. The total loss of General Fund revenue for the state fiscal year 2019-20 with respect to those claims was less than \$183,000.

From July 1, 2020 through June 30, 2021, credits were claimed for tax years beginning in 2020. The total loss of General Fund revenue for the state fiscal year 2020-21 with respect to those claims was less than \$134,000.

From July 1, 2021 through June 30, 2022, credits were claimed for tax years beginning before 2022. The total loss of General Fund revenue for the state fiscal year 2021-22 with respect to those claims was less than \$90,000.

From July 1, 2022 through June 30, 2023, credits were claimed for tax years beginning before 2023. The total loss of General Fund revenue for the state fiscal year 2022-23 with respect to those claims was less than \$90,000.

From July 1, 2023 through June 30, 2024, credits were claimed for tax years beginning before 2024. The total loss of General Fund revenue for the state fiscal year 2023-24 with respect to those claims was less than \$60,000.