# MAINE STATE LEGISLATURE

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3	TAXATION
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5	STATE OF MAINE
6	SENATE
7	126TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10 11	COMMITTEE AMENDMENT "A" to S.P. 172, L.D. 440, Bill, "An Act To Support Community Health Centers through Tax Credits for Dentists and Primary Care Professionals Practicing in Underserved Areas"
12	Amend the bill by striking out the title and substituting the following:
13 14	'An Act To Create a Tax Credit for Primary Care Professionals Practicing in Underserved Areas'
15 16	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:
17	'Sec. 1. 36 MRSA §5219-II is enacted to read:
18	§5219-II. Primary care access credit
19 20	1. <b>Definitions.</b> As used in this section, unless the context otherwise indicates, the following terms have the following meanings.
21 22 23	A. "Eligible primary care professional" means a person licensed under Title 32, chapter 31, subchapter 3 or subchapter 4; Title 32, chapter 36, subchapter 4; or Title 32, chapter 48, subchapter 2 and who, on or after January 1, 2013:
24 25 26 27	(1) First begins practicing primary care medicine in the State by joining an existing health care practice in an underserved area or establishing a new health care practice or purchasing an existing health care practice in an underserved area;
28	(2) Agrees to practice full time for at least 5 years in an underserved area;
29 30	(3) Is certified under subsection 3 to be eligible by the Department of Health and Human Services; and
31	(4) Has an unpaid student loan owed to an institution for course work directly

# COMMITTEE AMENDMENT "A" to S.P. 172, L.D. 440

(4)	
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В	"Underse	erved	area"	means	an	area	in	the	State	that	is	a h	ealth	pro	ofessiona (	al
sho	rtage area	or me	edicall	y unde	rserv	ed a	rea	or th	at cor	itains	a ı	med	ically	un	derserve	d
	ulation as															
Health Resources and Services Administration.																

- 2. Credit. An eligible primary care professional is allowed a credit against the taxes due under this Part as follows.
  - A. The credit may be claimed in the first year that the eligible primary care professional meets the conditions of eligibility for at least 6 months and each of the 4 subsequent years or until the student loan of the eligible primary care professional is paid in full, whichever comes first.
  - B. The credit may be claimed in an amount equal to the annual payments made on the student loan not to exceed \$6,000 in the first year, \$9,000 in the 2nd year, \$12,000 in the 3rd year, \$15,000 in the 4th year and \$18,000 in the 5th year.
  - C. The credit may not reduce the tax due under this Part to less than zero.
- 3. Eligibility limitation; certification. The Department of Health and Human Services shall certify up to 5 eligible primary care professionals each year. The Department of Health and Human Services shall monitor certified primary care professionals to ensure that they continue to be eligible for the credit under this section and shall decertify any primary care professional who ceases to meet the conditions of eligibility. The Department of Health and Human Services shall notify the bureau whenever a primary care professional is certified or decertified. A decertified primary care professional ceases to be eligible for the credit under this section beginning with the tax year during which the primary care professional is decertified.
- 4. Rules. The Department of Health and Human Services may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

#### SUMMARY

This amendment eliminates the provision in the bill that extends the existing dental care access tax credit. It clarifies that in order to be eligible for the primary care access tax credit, the person's unpaid student loan must be owed to an institution for course work directly related to that person's training in primary care medicine. It adds an area with a medically underserved population to the definition of "underserved area." It creates a graduated schedule for claiming the credit allowing an eligible primary care professional to claim an amount equal to the annual payments made on the professional's student loan not to exceed \$6,000 in the first year, \$9,000 in the 2nd year, \$12,000 in the 3rd year, \$15,000 in the 4th year and \$18,000 in the 5th year.

### FISCAL NOTE REQUIRED

(See attached)



## 126th MAINE LEGISLATURE

LD 440

LR 313(02)

An Act To Support Community Health Centers through Tax Credits for Dentists and Primary Care Professionals Practicing in Underserved Areas

Fiscal Note for Bill as Amended by Committee Amendment 'A' (5-24)

Committee: Taxation

Fiscal Note Required: Yes

### **Fiscal Note**

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$22,230	\$64,410	\$118,560	\$186,960
Revenue				
General Fund	(\$22,230)	(\$64,410)	(\$118,560)	(\$186,960)
Other Special Revenue Funds	(\$1,170)	(\$3,390)	(\$6,240)	(\$9,840)

#### Fiscal Detail and Notes

By creating a Primary Care Access Credit for 5 certified primary care professionals practicing in underserved areas, General Fund revenue is reduced by \$22,230 in FY 2013-14 and \$64,410 in FY 2014-15 and Municipal Revenue Sharing decreases by \$1,170 in FY 2013-14 and \$3,390 in FY 2014-15.

Any additional costs to the Department of Health and Human Services are expected to be minor and can be absorbed within existing budgeted resources.