

# MAINE STATE LEGISLATURE

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L.D. 440

Date: 4/16/14

(Filing No. S- 548)

**APPROPRIATIONS AND FINANCIAL AFFAIRS**

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**STATE OF MAINE  
SENATE  
126TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “B” 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”

Amend the bill by striking out the title and substituting the following:

**'An Act To Create a Tax Credit for Primary Care Professionals Practicing in Underserved Areas'**

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**'Sec. 1. 36 MRSA §5219-KK is enacted to read:**

**§5219-KK. Primary care access credit**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

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:

(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;

(2) Agrees to practice full time for at least 5 years in an underserved area;

(3) Is certified under subsection 3 to be eligible by the Department of Health and Human Services; and

(4) Has an unpaid student loan owed to an institution for course work directly related to that person's training in primary care medicine.

**COMMITTEE AMENDMENT**

1 B. "Underserved area" means an area in the State that is a health professional  
2 shortage area or medically underserved area or that contains a medically underserved  
3 population as defined by the federal Department of Health and Human Services,  
4 Health Resources and Services Administration.

5 **2. Credit.** For tax years beginning on or after January 1, 2014 but before January 1,  
6 2019, an eligible primary care professional is allowed a credit against the taxes due under  
7 this Part as follows.

8 A. The credit may be claimed in the first year that the eligible primary care  
9 professional meets the conditions of eligibility for at least 6 months and each of the 4  
10 subsequent years or until the student loan of the eligible primary care professional is  
11 paid in full, whichever comes first.

12 B. The credit may be claimed in an amount equal to the annual payments made on  
13 the student loan not to exceed \$6,000 in the first year, \$9,000 in the 2nd year,  
14 \$12,000 in the 3rd year, \$15,000 in the 4th year and \$18,000 in the 5th year.

15 C. The credit may not reduce the tax due under this Part to less than zero.

16 **3. Eligibility limitation; certification.** The Department of Health and Human  
17 Services shall certify up to 5 eligible primary care professionals each year. The  
18 Department of Health and Human Services shall monitor certified primary care  
19 professionals to ensure that they continue to be eligible for the credit under this section  
20 and shall decertify any primary care professional who ceases to meet the conditions of  
21 eligibility. The Department of Health and Human Services shall notify the bureau  
22 whenever a primary care professional is certified or decertified. A decertified primary  
23 care professional ceases to be eligible for the credit under this section beginning with the  
24 tax year during which the primary care professional is decertified.

25 **4. Rules.** The Department of Health and Human Services may adopt rules to  
26 implement this section. Rules adopted pursuant to this subsection are routine technical  
27 rules as defined in Title 5, chapter 375, subchapter 2-A.

28 **5. Annual report.** By January 15, 2016 and annually thereafter, the Department of  
29 Health and Human Services and the bureau shall submit a report to the joint standing  
30 committee of the Legislature having jurisdiction over taxation matters. The report must  
31 indicate the number of eligible primary care professionals certified and decertified each  
32 year by the Department of Health and Human Services pursuant to this section and the  
33 total annual loss of revenue attributable to the credit under subsection 2.

34 **Sec. 2. Transfer from the Medical Use of Marijuana Fund.**  
35 Notwithstanding any other provision of law, the State Controller shall transfer \$23,000 by  
36 June 30, 2015 from the Medical Use of Marijuana Fund, Other Special Revenue Funds  
37 account in the Department of Health and Human Services to the unappropriated surplus  
38 of the General Fund.'

39 **SUMMARY**

40 This amendment eliminates the provision in the bill that extends the existing dental  
41 care access tax credit. It clarifies that in order to be eligible for the primary care access  
42 tax credit, the person's unpaid student loan must be owed to an institution for course work

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1 directly related to that person's training in primary care medicine. It adds an area with a  
2 medically underserved population to the definition of "underserved area." It creates a  
3 graduated schedule for claiming the credit allowing an eligible primary care professional  
4 to claim an amount equal to the annual payments made on the professional's student loan  
5 not to exceed \$6,000 in the first year, \$9,000 in the 2nd year, \$12,000 in the 3rd year,  
6 \$15,000 in the 4th year and \$18,000 in the 5th year.

7 This amendment also provides that the primary care access credit is available for tax  
8 years beginning on or after January 1, 2014 but before January 1, 2019. It requires the  
9 Department of Health and Human Services and the Department of Administrative and  
10 Financial Services, Maine Revenue Services to submit an annual report to the joint  
11 standing committee of the Legislature having jurisdiction over taxation matters beginning  
12 on January 1, 2016 indicating the number of eligible primary care professionals certified  
13 and decertified each year by the Department of Health and Human Services and the total  
14 annual loss of revenue attributable to the primary care access credit. This amendment also  
15 adds a \$23,000 transfer from the Medical Use of Marijuana Fund, Other Special Revenue  
16 Funds account in the Department of Health and Human Services to the unappropriated  
17 surplus of the General Fund no later than June 30, 2015.

18 **FISCAL NOTE REQUIRED**

19 (See attached)



# 126th MAINE LEGISLATURE

LD 440

LR 313(06)

## 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 "B" (S-548)  
 Committee: Appropriations and Financial Affairs  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
<b>Net Cost (Savings)</b>				
General Fund	\$0	(\$770)	\$64,410	\$118,560
<b>Revenue</b>				
General Fund	\$0	(\$22,230)	(\$64,410)	(\$118,560)
Other Special Revenue Funds	\$0	(\$1,170)	(\$3,390)	(\$6,240)
<b>Transfers</b>				
General Fund	\$0	\$23,000	\$0	\$0
Other Special Revenue Funds	\$0	(\$23,000)	\$0	\$0

### 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 2014-15 and Municipal Revenue Sharing decreases by \$1,170 in FY 2014-15. The amendment also directs the State Controller to transfer \$23,000 by June 30, 2015 from the Medical Use of Marijuana Fund, Other Special Revenue Funds account in the Department of Health and Human Services to the unappropriated surplus of the General Fund.

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