

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 479

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.532) by adding section 267.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 267. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,  
2 FOR THE 2000 TAX YEAR THROUGH THE 2010 TAX YEAR, A QUALIFIED TAX-  
3 PAYER WITH A FULL-TIME PRIMARY HEALTH CARE PRACTICE MAY CLAIM A  
4 CREDIT EQUAL TO \$5,000.00 AGAINST THE TAX IMPOSED BY THIS ACT FOR  
5 A MAXIMUM OF 5 CONSECUTIVE TAX YEARS AND A QUALIFIED TAXPAYER  
6 WITH A PART-TIME PRIMARY HEALTH CARE PRACTICE MAY CLAIM A CREDIT  
7 EQUAL TO \$5,000.00 MULTIPLIED BY A FRACTION THE NUMERATOR OF  
8 WHICH IS THE AVERAGE NUMBER OF HOURS PER WEEK OF THAT PART-TIME  
9 PRIMARY HEALTH CARE PRACTICE AND THE DENOMINATOR OF WHICH IS 40.  
10 A FRACTION UNDER THIS SUBSECTION SHALL NOT BE GREATER THAN 1.

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1 (2) A QUALIFIED TAXPAYER WHO WAS AN INTERN OR RESIDENT IN A  
2 DESIGNATED AREA FOR NOT LESS THAN 6 MONTHS MAY CLAIM THE CREDIT  
3 UNDER THIS SECTION FOR AN AMOUNT OF TIME HE OR SHE WAS AN INTERN  
4 OR RESIDENT IN THE DESIGNATED AREA IN ADDITION TO THE 5 YEARS AS  
5 PROVIDED UNDER SUBSECTION (1). THE ADDITIONAL CREDIT AMOUNT  
6 SHALL BE EQUAL TO THE NUMBER OF CONSECUTIVE MONTHS THAT THE QUAL-  
7 IFIED TAXPAYER SPENT IN THE DESIGNATED AREA AS AN INTERN OR RESI-  
8 DENT NOT TO EXCEED 1 YEAR.

9 (3) A QUALIFIED TAXPAYER WHO IS PARTICIPATING IN THE  
10 MICHIGAN ESSENTIAL HEALTH PROVIDER PROGRAM OR J-1 VISA PROGRAM  
11 MAY CLAIM THE CREDIT ALLOWED UNDER THIS SECTION ONLY IN THE 5 TAX  
12 YEARS BEGINNING IN THE YEAR AFTER WHICH THE TAXPAYER HAS COM-  
13 PLETED HIS OR HER OBLIGATION UNDER THAT PROGRAM.

14 (4) IF A QUALIFIED TAXPAYER INTERRUPTS HIS OR HER FULL-TIME  
15 OR PART-TIME PRIMARY HEALTH CARE PRACTICE TO PARTICIPATE IN A  
16 CONTINUING EDUCATION PROGRAM OR A MEDICALLY RELATED SABBATICAL  
17 THAT LASTS MORE THAN 1 YEAR, THE QUALIFIED TAXPAYER MAY CLAIM THE  
18 CREDIT ALLOWED UNDER THIS SECTION FOR ANY 5 TAX YEARS WITHIN THE  
19 8 CONSECUTIVE TAX YEARS THAT INCLUDE THE PROGRAM OR SABBATICAL  
20 AND THAT BEGIN WITH THE FIRST YEAR THAT THE QUALIFIED TAXPAYER  
21 CLAIMED A CREDIT UNDER THIS SECTION.

22 (5) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE  
23 TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION THAT  
24 EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE REFUNDED  
25 AND SHALL NOT BE CARRIED FORWARD.

26 (6) THE DEPARTMENT OF COMMUNITY HEALTH SHALL CERTIFY TO THE  
27 DEPARTMENT OF TREASURY THAT A TAXPAYER WHO CLAIMS A CREDIT UNDER

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1 THIS SECTION IS A PHYSICIAN, [DENTIST,] PHYSICIAN'S ASSISTANT, NURSE  
2 PRACTITIONER, OR NURSE MIDWIFE WITH A FULL-TIME OR PART-TIME PRI-  
3 MARY HEALTH CARE PRACTICE IN A DESIGNATED AREA OR, ONLY AS PRO-  
4 VIDED IN SUBSECTION (8), IN A NONDESIGNATED AREA.

5 (7) A TAXPAYER WHO CLAIMS THE CREDIT UNDER THIS SECTION  
6 SHALL ATTACH TO HIS OR HER ANNUAL RETURN ON WHICH THE CREDIT IS  
7 CLAIMED AN AFFIDAVIT, IN A FORM PRESCRIBED BY THE DEPARTMENT OR  
8 THAT CONTAINS SUBSTANTIALLY THE SAME INFORMATION AS THAT PRE-  
9 SCRIBED BY THE DEPARTMENT, THAT STATES THAT THE TAXPAYER MEETS  
10 ALL OF THE CONDITIONS AND CRITERIA FOR CLAIMING THE CREDIT UNDER  
11 THIS SECTION.

12 (8) IF THE DEPARTMENT OF COMMUNITY HEALTH CHANGES THE DESIG-  
13 NATION OF AN AREA FROM THAT OF A DESIGNATED AREA TO THAT OF A  
14 NONDESIGNATED AREA, THE QUALIFIED TAXPAYER MAY CONTINUE TO CLAIM  
15 THE CREDIT AS ALLOWED IN THIS SECTION.

16 (9) ON OR BEFORE DECEMBER 31, 2003, THE DEPARTMENT OF TREA-  
17 SURY SHALL REPORT THE NUMBER AND COSTS OF CREDITS ALLOWED UNDER  
18 THIS SECTION TO THE SENATE AND HOUSE OF REPRESENTATIVES STANDING  
19 COMMITTEES RESPONSIBLE FOR HEALTH CARE ISSUES AND TO THE DIRECTOR  
20 OF THE DEPARTMENT OF COMMUNITY HEALTH. ON OR BEFORE DECEMBER 31,  
21 2003, THE DEPARTMENT OF COMMUNITY HEALTH SHALL REPORT THE NUMBER,  
22 LOCATION, AND PRACTICE SPECIALTIES OF THE PHYSICIANS, [DENTISTS, ]  
PHYSICIAN'S

23 ASSISTANTS, NURSE PRACTITIONERS, AND NURSE MIDWIVES WHO CLAIMED  
24 THE CREDIT ALLOWED UNDER THIS SECTION TO THE SENATE AND HOUSE OF  
25 REPRESENTATIVES STANDING COMMITTEES RESPONSIBLE FOR HEALTH CARE  
26 ISSUES.

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1 (10) AS USED IN THIS SECTION:

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[(A) "DENTIST" MEANS THAT TERM AS DEFINED IN SECTION 16601 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16601.]

5 [(B)] "DESIGNATED AREA" MEANS A HEALTH PROFESSIONAL SHORTAGE

6 AREA AS CERTIFIED BY THE DIRECTOR OF THE DEPARTMENT OF COMMUNITY

7 HEALTH.

8 [(C)] "FULL-TIME PRIMARY HEALTH CARE PRACTICE" MEANS A HEALTH

9 CARE PRACTICE OF 40 HOURS OR MORE PER WEEK BY A PHYSICIAN,  
[DENTIST,]

10 PHYSICIAN'S ASSISTANT, NURSE PRACTITIONER, OR NURSE MIDWIFE WHO

11 PRACTICES IN 1 OF THE FOLLOWING SPECIALTIES:

12 (i) FAMILY PRACTICE.

13 (ii) GENERAL PRACTICE.

14 (iii) PEDIATRICS.

15 (iv) INTERNAL MEDICINE.

16 (v) OBSTETRICS AND GYNECOLOGY.

[(vi) DENTISTRY.]

17 [(D)] "INTERN" MEANS A LICENSED ALLOPATHIC OR OSTEOPATHIC PHY-

18 SICIAN WHO IS ENROLLED IN AN APPROVED INTERNSHIP PROGRAM THROUGH

19 A HOSPITAL AND WHO ROTATES THROUGH DIFFERENT MEDICAL SPECIALTIES

20 AS PART OF HIS OR HER GENERAL MEDICAL TRAINING.

21 [(E)] "MEDICAID" MEANS THE PROGRAM OF MEDICAL ASSISTANCE

22 ADMINISTERED BY THE DEPARTMENT OF COMMUNITY HEALTH UNDER THE

23 SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.1 TO 400.119B.

24 [(F)] "NURSE PRACTITIONER" AND "NURSE MIDWIFE" MEAN THOSE

25 TERMS AS DESCRIBED IN SECTION 17210 OF THE PUBLIC HEALTH CODE,

26 1978 PA 368, MCL 333.17210.

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1 [(G)] "PART-TIME PRIMARY HEALTH CARE PRACTICE" MEANS A HEALTH  
2 CARE PRACTICE OF LESS THAN 40 HOURS PER WEEK BY A PHYSICIAN,  
[DENTIST,]

3 PHYSICIAN'S ASSISTANT, NURSE PRACTITIONER, OR NURSE MIDWIFE WHO  
4 PRACTICES IN 1 OF THE FOLLOWING SPECIALTIES:

- 5 (i) FAMILY PRACTICE.  
6 (ii) GENERAL PRACTICE.  
7 (iii) PEDIATRICS.  
8 (iv) INTERNAL MEDICINE.  
9 (v) OBSTETRICS AND GYNECOLOGY.  
[(vi) DENTISTRY.]

10 [(H)] "PHYSICIAN" MEANS THAT TERM AS DEFINED IN SECTION  
11 17001(1)(C) OR 17501(1)(B) OF THE PUBLIC HEALTH CODE, 1978  
12 PA 368, MCL 333.17001 AND 333.17501.

13 [(I)] "PHYSICIAN'S ASSISTANT" MEANS THAT TERM AS DEFINED IN  
14 SECTION 2701 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL  
15 333.2701.

16 [(J)] "QUALIFIED TAXPAYER" MEANS A PHYSICIAN, [DENTIST,]  
PHYSICIAN'S

17 ASSISTANT, NURSE PRACTITIONER, OR NURSE MIDWIFE [  
18 ] WHO MEETS  
19 EITHER OF THE FOLLOWING CONDITIONS [OR A DENTIST WHO MEETS EITHER OF  
THE FOLLOWING CONDITIONS]:

20 (i) IS A PHYSICIAN, [DENTIST,] PHYSICIAN'S ASSISTANT, NURSE  
PRACTITION-

21 ER, OR NURSE MIDWIFE WHO MEETS ALL OF THE FOLLOWING CRITERIA:

22 (A) HAS A FULL-TIME OR PART-TIME PRIMARY HEALTH CARE PRAC-  
23 TICE IN A DESIGNATED AREA.

24 (B) ACCEPTS MEDICAID OR MEDICARE ELIGIBLE PATIENTS.

25 (C) HIS OR HER PRACTICE INCLUDES MEDICAID OR MEDICARE ELIGI-  
26 BLE PATIENTS.

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1           (ii) IS A PHYSICIAN, [DENTIST,] PHYSICIAN'S ASSISTANT, NURSE  
2 PRACTITIONER, OR NURSE MIDWIFE OTHER THAN A PHYSICIAN, [DENTIST,]  
3 PHYSICIAN'S ASSISTANT, NURSE PRACTITIONER, OR NURSE MIDWIFE WHO  
4 MEETS THE CONDITIONS UNDER SUBPARAGRAPH (i) IF 50% OF HIS OR HER  
5 PRACTICE CONSISTS OF PATIENTS WITH MEDICAID COVERAGE REGARDLESS  
6 OF THE SOURCE OF PAYMENT FOR THE SERVICE PROVIDED.

7           [(K)] "RESIDENT" MEANS A LICENSED PHYSICIAN WHO IS ENROLLED IN  
8 AN APPROVED RESIDENCY PROGRAM THROUGH A HOSPITAL IN A SPECIFIC  
9 PRACTICE AREA AS PART OF HIS OR HER TRAINING FOR A MEDICAL SPE-  
10 CIALTY AND WHO HAS DIRECT PATIENT CARE RESPONSIBILITY.