

SUBSTITUTE FOR
SENATE BILL NO. 479
(As amended June 3, 1998)

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 266.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 266. (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 CREDIT
4 \$5,000.00 AGAINST THE TAX IMPOSED BY THIS ACT FOR A MAXIMUM OF 5
5 CONSECUTIVE TAX YEARS. A CREDIT CLAIMED UNDER THIS SECTION BY A
6 QUALIFIED TAXPAYER WITH A PART-TIME PRIMARY HEALTH CARE PRACTICE
7 SHALL EQUAL \$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
10 40. A FRACTION UNDER THIS SUBSECTION SHALL NOT BE GREATER THAN
11 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, NURSE PRACTITIONER, OR NURSE MIDWIFE
2 WITH A FULL-TIME OR PART-TIME PRIMARY
3 HEALTH CARE PRACTICE IN A DESIGNATED AREA OR, ONLY AS PROVIDED
4 IN SUBSECTION (8), IN A NONDESIGNATED AREA.

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

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

15 (9) ON OR BEFORE DECEMBER 31, 2003, THE DEPARTMENT OF TREA-
16 SURY SHALL REPORT THE NUMBER AND COSTS OF CREDITS ALLOWED UNDER
17 THIS SECTION TO THE SENATE AND HOUSE OF REPRESENTATIVES STANDING
18 COMMITTEES RESPONSIBLE FOR HEALTH CARE ISSUES AND TO THE DIRECTOR
19 OF THE DEPARTMENT OF COMMUNITY HEALTH. ON OR BEFORE DECEMBER 31,
20 2003, THE DEPARTMENT OF COMMUNITY HEALTH SHALL REPORT THE NUMBER,
21 LOCATION, AND PRACTICE SPECIALTIES OF THE PHYSICIANS, NURSE
22 PRACTITIONERS, AND NURSE MIDWIVES WHO CLAIMED
23 THE CREDIT ALLOWED UNDER THIS SECTION TO THE SENATE AND HOUSE OF
24 REPRESENTATIVES STANDING COMMITTEES RESPONSIBLE FOR HEALTH CARE
25 ISSUES.

(10) AS USED IN THIS SECTION:
(A) "ABORTION" AND "MEDICAL EMERGENCY" MEAN THOSE TERMS AS
DEFINED IN SECTION 17015 OF THE PUBLIC HEALTH CODE, 1978 PA 268, MCL
333.17015.

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1 (B) "DESIGNATED AREA" MEANS A HEALTH PROFESSIONAL SHORTAGE
2 AREA AS CERTIFIED BY THE DIRECTOR OF THE DEPARTMENT OF COMMUNITY
3 HEALTH.

4 (C) "FULL-TIME PRIMARY "HEALTH CARE PRACTICE" MEANS A HEALTH
5 CARE PRACTICE OF 40 HOURS OR MORE PER WEEK BY A PHYSICIAN, NURSE
6 PRACTITIONER, OR NURSE MIDWIFE WHO PRACTICES IN 1 OF THE FOLLOWING
7 SPECIALTIES:

8 (i) FAMILY PRACTICE.

9 (ii) GENERAL PRACTICE.

10 (iii) PEDIATRICS.

11 (iv) INTERNAL MEDICINE.

12 (v) OBSTETRICS AND GYNECOLOGY.

13 (D) "INTERN" MEANS A LICENSED ALLOPATHIC OR OSTEOPATHIC
14 PHYSICIAN WHO IS
15 ENROLLED IN AN APPROVED INTERNSHIP PROGRAM THROUGH A HOSPITAL AND
16 WHO ROTATES THROUGH DIFFERENT MEDICAL SPECIALTIES AS PART OF HIS
17 OR HER GENERAL MEDICAL TRAINING.

18 (E) "MEDICAID" MEANS THE PROGRAM OF MEDICAL ASSISTANCE
19 ADMINISTERED BY THE DEPARTMENT OF COMMUNITY HEALTH UNDER THE
20 SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.1 TO 400.119B.

(F) "NURSE PRACTITIONER" AND "NURSE MIDWIFE" MEAN THOSE TERMS
AS DESCRIBED IN SECTION 17210 OF THE PUBLIC HEALTH CODE, 1978 PA
368, MCL 333.17210.

19 (G) "PART-TIME PRIMARY "HEALTH CARE PRACTICE" MEANS A HEALTH
20 CARE PRACTICE OF LESS THAN 40 HOURS PER WEEK BY A PHYSICIAN, NURSE
21 PRACTITIONER, OR NURSE MIDWIFE WHO PRACTICES IN 1 OF THE FOLLOWING
22 SPECIALTIES:

23 (i) FAMILY PRACTICE.

24 (ii) GENERAL PRACTICE.

25 (iii) PEDIATRICS.

26 (iv) INTERNAL MEDICINE.

(v) OBSTETRICS AND GYNECOLOGY.

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1 (H) "PHYSICIAN" MEANS THAT TERM AS DEFINED IN SECTION
2 17001(1)(C) OR 17501(1)(B) OF THE PUBLIC HEALTH CODE, 1978
3 PA 368, MCL 333.17001 AND 333.17501.

4 (I) "QUALIFIED TAXPAYER" MEANS A PHYSICIAN, NURSE PRACTITIONER,
5 OR NURSE MIDWIFE WHO MEETS EITHER OF
6 THE FOLLOWING CONDITIONS:

6 (i) A PHYSICIAN WHO MEETS ALL OF THE FOLLOWING CRITERIA:
7 (A) HAS A FULL-TIME OR PART-TIME PRIMARY HEALTH CARE PRAC-
8 TICE IN A DESIGNATED AREA.

8 (B) ACCEPTS MEDICAID OR MEDICARE ELIGIBLE PATIENTS.

9 (C) HIS OR HER PRACTICE INCLUDES MEDICAID OR MEDICARE ELI-
10 GIBLE PATIENTS.

 (ii) ANY OTHER PHYSICIAN IF 50% OF HIS OR HER PRACTICE CONSISTS
OF MEDICAID ELIGIBLE PATIENTS.

 (iii) IS A PHYSICIAN WHO DOES NOT PERFORM ABORTIONS EXCEPT IN
CASES OF MEDICAL EMERGENCY.

11 (J) "RESIDENT" MEANS A LICENSED PHYSICIAN WHO IS ENROLLED IN
12 AN APPROVED RESIDENCY PROGRAM THROUGH A HOSPITAL IN A SPECIFIC
13 PRACTICE AREA AS PART OF HIS OR HER TRAINING FOR A MEDICAL SPE-
14 CIALTY AND WHO HAS DIRECT PATIENT CARE RESPONSIBILITY.