

**SENATE BILL NO. 479**

May 1, 1997, Introduced by Senators NORTH, KOIVISTO, MC MANUS, SCHWARZ, DUNASKISS, GOUGEON, CISKY, PETERS, DE GROW, SCHUETTE, YOUNG, SHUGARS, CARL and VAUGHN and referred to the Committee on Health Policy and Senior Citizens.

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 1997 TAX YEAR AND EACH TAX YEAR AFTER 1997, A QUALIFIED  
3 TAXPAYER WHO PRACTICES AS A FULL-TIME PRIMARY CARE PHYSICIAN MAY  
4 CREDIT \$5,000.00 AGAINST THE TAX IMPOSED BY THIS ACT FOR A MAXI-  
5 MUM OF 5 CONSECUTIVE TAX YEARS. A CREDIT CLAIMED UNDER THIS SEC-  
6 TION BY A QUALIFIED TAXPAYER WHO PRACTICES AS A PART-TIME PRIMARY  
7 CARE PHYSICIAN SHALL EQUAL \$5,000.00 MULTIPLIED BY A FRACTION THE  
8 NUMERATOR OF WHICH IS THE AVERAGE NUMBER OF HOURS PER WEEK OF  
9 THAT PART-TIME PRIMARY CARE PRACTICE AND THE DENOMINATOR OF WHICH  
10 IS 40. A FRACTION UNDER THIS SUBSECTION SHALL NOT BE GREATER  
11 THAN 1.

1 (2) A QUALIFIED TAXPAYER WHO IS PARTICIPATING IN THE  
2 MICHIGAN ESSENTIAL HEALTH PROVIDER PROGRAM MAY CLAIM THE CREDIT  
3 ALLOWED UNDER THIS SECTION ONLY IN THE 5 TAX YEARS BEGINNING IN  
4 THE YEAR AFTER WHICH THE TAXPAYER HAS COMPLETED THE 2- OR MORE  
5 YEAR OBLIGATION UNDER THAT PROGRAM.

6 (3) IF A QUALIFIED TAXPAYER INTERRUPTS HIS OR HER PRACTICE  
7 AS A FULL-TIME OR PART-TIME PRIMARY CARE MEDICAL PHYSICIAN TO  
8 PARTICIPATE IN A CONTINUING EDUCATION PROGRAM OR A MEDICALLY  
9 RELATED SABBATICAL THAT LASTS MORE THAN 1 YEAR, THE QUALIFIED  
10 TAXPAYER MAY CLAIM THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY  
11 5 TAX YEARS WITHIN THE 8 CONSECUTIVE TAX YEARS THAT INCLUDE THE  
12 PROGRAM OR SABBATICAL AND THAT BEGIN WITH THE FIRST YEAR THAT THE  
13 QUALIFIED TAXPAYER CLAIMED A CREDIT UNDER THIS SECTION.

14 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX  
15 LIABILITY OF THE QUALIFIED TAXPAYER FOR THE TAX YEAR, THAT POR-  
16 TION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE  
17 REFUNDED TO THE QUALIFIED TAXPAYER.

18 (5) THE DEPARTMENT OF COMMUNITY HEALTH SHALL CERTIFY TO THE  
19 DEPARTMENT OF TREASURY THAT A TAXPAYER WHO CLAIMS A CREDIT UNDER  
20 THIS SECTION PRACTICES AS A FULL-TIME OR PART-TIME PRIMARY CARE  
21 MEDICAL PHYSICIAN IN A DESIGNATED AREA.

22 (6) IF THE DEPARTMENT OF COMMUNITY HEALTH CHANGES THE DESIG-  
23 NATION OF AN AREA FROM THAT OF A DESIGNATED AREA TO THAT OF A  
24 NONDESIGNATED AREA, THE QUALIFIED TAXPAYER MAY CONTINUE TO CLAIM  
25 THE CREDIT AS ALLOWED IN THIS SECTION.

26 (7) AS USED IN THIS SECTION:

1 (A) "DESIGNATED AREA" MEANS AN AREA WITH A FEDERAL  
2 DESIGNATION FOR UNDERSERVED AREAS AND POPULATIONS AS DETERMINED  
3 BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES IN  
4 EFFECT ON THE EFFECTIVE DATE OF THIS SECTION OR UNDER A SUBSE-  
5 QUENT DETERMINATION AND AS CERTIFIED BY THE DIRECTOR OF THE  
6 DEPARTMENT OF COMMUNITY HEALTH.

7 (B) "FULL-TIME PRIMARY CARE MEDICAL PRACTICE" MEANS A MEDI-  
8 CAL PRACTICE OF 40 HOURS OR MORE PER WEEK.

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

12 (D) "QUALIFIED TAXPAYER" MEANS A PHYSICIAN WITHOUT GOVERN-  
13 MENTAL OBLIGATIONS WHO PRACTICES AS A FULL-TIME OR PART-TIME PRI-  
14 MARY CARE PHYSICIAN IN A DESIGNATED AREA.