

SENATE BILL No. 86

January 28, 2003, Introduced by Senator THOMAS and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 269.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 269. (1) Except as otherwise provided in this section,
2 for tax years that begin after December 31, 2002, a qualified
3 taxpayer with a full-time or part-time medical care practice may
4 credit \$5,000.00 against the tax imposed by this act for a
5 maximum of 5 consecutive tax years. A credit claimed under this
6 section by a qualified taxpayer with a part-time medical care
7 practice 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 medical 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 Michigan
2 essential health provider program or J-1 visa program may claim
3 the credit allowed under this section only in the 5 tax years
4 beginning in the year after which the taxpayer has completed his
5 or her obligation under that program.

6 (3) If a qualified taxpayer interrupts his or her full-time
7 or part-time medical care practice to participate in a continuing
8 education program or a medically related sabbatical that lasts
9 more than 1 year, the qualified taxpayer may claim the credit
10 allowed under this section for any 5 tax years within the 8
11 consecutive tax years that include the program or sabbatical and
12 that begin with the first year that the qualified taxpayer
13 claimed a credit under this section.

14 (4) If the credit allowed under this section for the tax year
15 and any unused carryforward of the credit allowed by this section
16 exceed the taxpayer's tax liability for the tax year, that
17 portion that exceeds the tax liability for the tax year shall not
18 be refunded but may be carried forward to offset tax liability in
19 subsequent tax years for 5 years or until used up, whichever
20 occurs first.

21 (5) The department of community health shall certify to the
22 department of treasury whether a taxpayer who claims a credit
23 under this section is a qualified taxpayer or, only as provided
24 in subsection (7), is a physician who has a full-time or
25 part-time medical care practice in a nondesignated area.

26 (6) A taxpayer who claims the credit under this section shall
27 attach to his or her annual return on which the credit is claimed

1 an affidavit, in a form prescribed by the department or that
2 contains substantially the same information, that states that the
3 taxpayer meets all of the conditions and criteria for claiming
4 the credit under this section.

5 (7) If, after a qualified taxpayer has claimed a credit
6 allowed in this section, the department of community health
7 changes the designation of the area where the taxpayer's medical
8 practice is located from that of a designated area to that of a
9 nondesignated area, the taxpayer may continue to claim the credit
10 as allowed in this section as if that designation had not been
11 changed.

12 (8) As used in this section:

13 (a) "Designated area" means a health professional shortage
14 area as certified by the director of the department of community
15 health.

16 (b) "Full-time medical care practice" means a physician's
17 medical practice of 40 hours or more per week.

18 (c) "Part-time medical care practice" means a physician's
19 medical practice of less than 40 hours per week.

20 (d) "Physician" means that term as defined in section
21 17001(1)(c) or 17501(1)(b) of the public health code, 1978
22 PA 368, MCL 333.17001 and 333.17501, who is board certified in 1
23 of the following specialties:

24 (i) Cardiology.

25 (ii) Family practice.

26 (iii) General practice.

27 (iv) Nephrology.

1 (v) Pediatrics.

2 (vi) Internal medicine.

3 (e) "Qualified taxpayer" means a physician who has a
4 full-time medical care practice or part-time medical care
5 practice in a designated area.