

GREEN SHEET REDIGEST

HB 427

2017 Regular Session

Dustin Miller

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

TAX CREDITS. Provides relative to the tax credit for certain medical providers.

DIGEST

Present law authorizes tax credits of up to five years for medical doctors who establish and maintain their primary office within 20 miles of a community hospital not owned predominately by other physicians, provided both the office and hospital are located more than 20 miles from the nearest city of 30,000 or more, and the physician relocates the office from outside the hospital's service area.

Proposed law deletes the criteria in present law and provides the tax credit to licensed physicians and primary care nurse practitioners whose primary offices are within a federally designated primary care needs geographic health professional shortage area and within a rural area as defined by the La. Dept. of Health (LDH).

Present law provides a tax credit for up to five years to dentists who establish and maintain a primary office within a federally designated Dental Health Professional Shortage Area.

Proposed law retains present law and additionally requires that the dentist office be located in a rural area as defined by LDH.

Proposed law requires that LDH be responsible for receiving applications for the tax credit and certifying the eligibility of taxpayers for the credit. Requires that tax credit be earned when the taxpayer's eligibility is certified by the Louisiana Department of Health. Provides that if the taxpayer does not maintain the requirements of this proposed law amounts certified be subject to disallowance or recapture. Prohibits taxpayer from receiving the credit for more than five years. Requires the Dept. of Revenue, in consultation with LDH, to promulgate rules in accordance with the APA for the performance of LDH's responsibilities, including an application process for certifying the eligibility of primary care health providers to receive the credit and to claim the credit.

Proposed law limits the total amount of tax credits given to \$1.5 million per year. Requires the rules and regulations promulgated pursuant to proposed law to establish a method of allocating available tax credits, such as first-come, first-served, reservations of tax credits, or another method the Dept. of Revenue and LDH finds beneficial.

Proposed law is subject to a review by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs. Such review may include an evaluation of the increase or decrease in the number of qualifying professionals.

Proposed law provides that no tax credits be certified for applications received on or after January 1, 2021.

Effective January 1, 2018.

(Amends R.S. 47:297(H)(2)(a), (b), and (c) and (3); Adds R.S. 47:297(H)(4)-(7))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the rule promulgation authority from LDH to the Dept. of Revenue in consultation with LDH.
2. Clarify that LDH certifies the total amount of the tax credits and the Dept. of Revenue grants the tax credits.
3. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill

1. Provides for certification of the taxpayer's eligibility by the Louisiana Department of Health.
2. Prohibits certification of tax credits on applications received on or after January 1, 2021.
3. Provides January 1, 2018 effective date.