

HOUSE BILL 215

Introduced by Hanson, M., et al.

1/17	Introduced
1/17	Referred to Taxation
1/17	Fiscal Note Requested
1/23	Fiscal Note Received
1/23	Fiscal Note Printed
1/25	Hearing
2/01	Tabled in Committee

1 House BILL NO. 215  
2 INTRODUCED BY M. Hansen Wesley of Flaxtonville  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A STATE  
5 INCOME TAX CREDIT TO PHYSICIANS AND DENTISTS WHO PRACTICE IN  
6 MONTANA COUNTIES HAVING A SHORTAGE OF MEDICAL PROFESSIONALS;  
7 AND PROVIDING AN APPLICABILITY DATE."  
8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10 NEW SECTION. Section 1. Credit allowed certain  
11 physicians and dentists practicing in counties having  
12 shortage of medical professionals. (1) There is a credit  
13 against income taxes for a physician or dentist licensed to  
14 practice medicine or dentistry in this state if the  
15 physician or dentist qualifies and makes written  
16 application, on a form provided by the department, in the  
17 nature of an affidavit, declaring that:  
18 (a) for 1 year immediately preceding the time of  
19 application, he has resided and practiced medicine or  
20 dentistry in a county that has a shortage of medical  
21 professionals; and  
22 (b) he intends to continue residing and practicing  
23 medicine or dentistry within that county for not less than 5  
24 years from the date of application.  
25 (2) For purposes of this section, a county is

1 considered to suffer from a shortage of medical  
2 professionals if:  
3 (a) in the case of a physician seeking the tax credit,  
4 the county has a doctor-to-patient ratio in excess of 1 to  
5 3,000, as certified to the department by the Montana board  
6 of medical examiners; or  
7 (b) in the case of a dentist seeking the tax credit,  
8 the county has a dentist-to-patient ratio in excess of 1 to  
9 5,000, as certified to the department by the Montana board  
10 of dentistry.  
11 (3) Based on the income tax due after calculating all  
12 other deductions and credits for a taxable year, the income  
13 tax credit allowable under this section is:  
14 (a) 80% of the state income tax due for the first tax  
15 year in which the credit is claimed;  
16 (b) 60% of the state income tax due for the second tax  
17 year in which the credit is claimed;  
18 (c) 40% of the state income tax due for the third tax  
19 year in which the credit is claimed;  
20 (d) 20% of the state income tax due for the fourth tax  
21 year in which the credit is claimed; and  
22 (e) 10% of the state income tax due for the fifth tax  
23 year in which the credit is claimed.  
24 (4) If a physician or dentist qualifies for the tax  
25 credit under this section and applies as required in

subsection (1), the department shall issue a certificate of eligibility for income tax credit. The physician or dentist shall attach a copy of the certificate to his tax return each year that he applies for the credit. The department may not require another application to be filed during the 5-year period for which the certificate is valid.

(5) If a physician or dentist fails to reside and practice medicine or dentistry in the county for the entire 5-year period for which the certificate of eligibility was issued, he is liable for repayment of all sums credited under this section. The amount to be repaid the department is due with other income tax due for the tax year in which the physician or dentist departed the county or ceased to practice medicine or dentistry in that county.

NEW SECTION. **Section 2.** Codification instruction. [Section 1] is intended to be codified as an integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 1].

NEW SECTION. **Section 3.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 4.** Applicability. [This act] applies to taxable years beginning after December 31, 1989.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB215, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide a state income tax credit to physicians and dentists who practice in Montana counties having a shortage of medical professionals; and providing an applicability date.

ASSUMPTIONS:

1. The doctor-to-patient ratio for physicians in a county in excess of 1 to 3,000 means there are fewer physicians than 1 for every 3,000 residents of the county.
2. The dentist-to-patient ratio for dentists in a county in excess of 1 to 5,000 means there are fewer dentists than 1 for every 5,000 residents of the county.
3. According to license information from the Montana Board of Medical Examiners there are four counties in which there is fewer than 1 physician for every 3,000 residents (Blaine, Carbon, Phillips and Rosebud) affecting seven physicians.
4. According to license information from the Montana Board of Dentistry there are four counties in which there is fewer than 1 dentist for every 5,000 residents (Big Horn, McCone, Roosevelt and Sanders) affecting six dentists.

FISCAL IMPACT:

1. There is no impact on Department of Revenue expenditures.
2. The impact on individual income tax revenue would be minimal. Since the legislation applies to taxable years beginning after December 31, 1989, the largest portion of the impact will be realized in FY91.

Ray Shackleford 1/23/89  
RAY SHACKLEFORD, BUDGET DIRECTOR DATE  
OFFICE OF BUDGET AND PROGRAM PLANNING

Marian W. Hanson 1/23/89  
MARIAN W. HANSON, PRIMARY SPONSOR DATE

Fiscal Note for HB215, as introduced

**HB 215**