

SENATE BILL 47

Introduced by Weeding

12/23	Introduced
12/23	Referred to Taxation
1/04	First Reading
1/04	Fiscal Note Requested
1/08	Fiscal Note Received
1/09	Fiscal Note Printed
1/15	Hearing
1/20	Tabled in Committee

SENATE BILL NO. 47

INTRODUCED BY WEEDING

A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE \$5,000 A YEAR TAX CREDIT AGAINST INDIVIDUAL INCOME TAXES TO CERTAIN PHYSICIAN ASSISTANTS-CERTIFIED WHO COMMENCE PRACTICE IN A RURAL AREA; ALLOWING THE TAX CREDIT FOR 4 SUCCESSIVE YEARS; PROVIDING FOR REPAYMENT OF THE CREDIT; AMENDING SECTIONS 15-30-188, 15-30-189, AND 15-30-190, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-30-188, MCA, is amended to read:

"15-30-188. Credit for physician and physician assistant-certified practicing in rural area -- definitions. For the purposes of 15-30-188 through 15-30-191, the following definitions apply:

(1) "Commences practice" means the location or relocation of a physician's or physician assistant-certified's principal place of practice to a rural area and the start of a practice that is open to the general public, including recipients of medical assistance under Title 53. The term does not include the relocation of a physician's or physician assistant-certified's practice from

one rural area to a different rural area.

(2) "Rural area" means a place without a hospital of at least 60 beds located within a radius of 30 miles."

Section 2. Section 15-30-189, MCA, is amended to read:

"15-30-189. Tax credit for physician and physician assistant-certified practicing in rural area. A licensed physician or physician assistant-certified authorized under Title 37, chapter 20, who commences practice in a rural area in Montana on a full-time basis is entitled to a credit against taxes imposed by 15-30-103 in an amount of \$5,000 a year for each of 4 successive years, beginning with the year in which the practice commences. To qualify for the credit provided in this section, the physician or physician assistant-certified shall maintain his a practice for at least 9 months of the taxable year in which the credit is claimed."

Section 3. Section 15-30-190, MCA, is amended to read:

"15-30-190. Credit for physician and physician assistant-certified practicing in rural area -- limitations -- repayment. (1) Except as provided in subsection (2), the rural--physician tax credit authorized in 15-30-189 is to be deducted from the taxpayer's income tax liability, beginning in the taxable year in which the physician or physician assistant-certified commences practice in a rural area and for the next 3 successive years.

1 (2) (a) A ~~rural--physician~~ tax credit authorized in
2 15-30-189 may not be claimed as a carryback or carryforward
3 and may not be refunded if there is no tax liability.

4 (b) A ~~rural--physician~~ tax credit authorized in
5 15-30-189 may not be used for any taxable year in which the
6 physician or physician assistant-certified ceases to
7 practice or does not practice in the rural area.

8 (3) If a physician or physician assistant-certified
9 ceases to practice in the rural area within 4 years
10 following the taxable year in which the credit is allowed,
11 the physician or physician assistant-certified shall repay
12 to the state the amount of the credit claimed for that
13 taxable year."

14 NEW SECTION. **Section 4.** Effective date -- retroactive
15 applicability. [This act] is effective on passage and
16 approval and applies retroactively, within the meaning of
17 1-2-109, to tax years beginning after December 31, 1992.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0047, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An bill extending the \$5,000 a year tax credit against individual income taxes to certain physician assistants-certified who commence practice in a rural area; allowing the tax credit for 4 successive years; providing for repayment of the credit; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

1. This is a continuation of a current tax credit.
2. The Departments of Revenue (DOR) and Social and Rehabilitative Services (SRS) anticipate no impact on expenditures from this proposal.
3. SRS anticipates no impact on revenues due to this proposal.
4. The estimated performance of this proposal is expected to mirror the performance of the rural physician tax credit provided in SB359 (1991). That credit resulted in 14 physicians receiving total credits of \$23,229.
5. SRS estimates that only 30 individuals are eligible to receive this credit.
6. All 30 individuals eligible for this credit would take it.

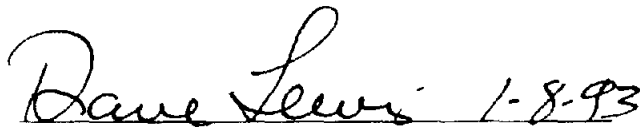
FISCAL IMPACT:

Based on the assumptions listed, the fiscal impact of this proposed legislation would be as follows:

Revenues: From SB359 (1991), tax credit is estimated at \$1,659 per eligible individual (\$23,229/14). There will be 30 eligible individuals. Therefore, general fund and school equalization account (SEA) revenues will be reduced by \$49,776 (\$1,659 x 30) per year.

Expenditures: No impact.

Net Impact: Net general fund and SEA revenues will be reduced by \$49,776 per year.


DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


CECIL WEEDING, PRIMARY SPONSOR DATE

Fiscal Note for SB0047, as introduced

SB 47