

105TH CONGRESS
1ST SESSION

H. R. 2804

To amend the Internal Revenue Code of 1986 to provide a tax credit to primary health providers who establish practices in health professional shortage areas.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 4, 1997

Ms. KILPATRICK (for herself, Mr. DAVIS of Illinois, Ms. HOOLEY of Oregon, Mr. JACKSON of Illinois, Mr. MCINTYRE, Ms. MILLENDER-McDONALD, Mr. PAUL, Mr. SANDLIN, and Mr. TOWNS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a tax credit to primary health providers who establish practices in health professional shortage areas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Care Access
5 Improvement Act”.

1 **SEC. 2. NONREFUNDABLE CREDIT FOR CERTAIN PRIMARY**
2 **HEALTH SERVICES PROVIDERS SERVING**
3 **HEALTH PROFESSIONAL SHORTAGE AREAS.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 (relating to nonrefundable personal credits) is
7 amended by inserting after section 25A the following new
8 section:

9 **“SEC. 25B. PRIMARY HEALTH SERVICES PROVIDERS SERV-**
10 **ING HEALTH PROFESSIONAL SHORTAGE**
11 **AREAS.**

12 “(a) ALLOWANCE OF CREDIT.—In the case of a
13 qualified primary health services provider, there is allowed
14 as a credit against the tax imposed by this chapter for
15 any taxable year in a mandatory service period an amount
16 equal to the product of—

17 “(1) the lesser of—

18 “(A) the number of months of such period
19 occurring in such taxable year, or

20 “(B) 60 months, reduced by the number of
21 months taken into account under this para-
22 graph with respect to such provider for all pre-
23 ceding taxable years (whether or not in the
24 same mandatory service period), multiplied by

25 “(2) \$1,000.

1 “(b) QUALIFIED PRIMARY HEALTH SERVICES PRO-
2 VIDER.—For purposes of this section, the term ‘qualified
3 primary health services provider’ means any physician who
4 for any month during a mandatory service period is cer-
5 tified by the Bureau to be a primary health services pro-
6 vider who—

7 “(1) is providing primary health services—

8 “(A) full time, and

9 “(B) to individuals at least 80 percent of
10 whom reside in a health professional shortage
11 area,

12 “(2) is not receiving during such year a scholar-
13 ship under the National Health Service Corps Schol-
14 arship Program or the Indian health professions
15 scholarship program or a loan repayment under the
16 National Health Service Corps Loan Repayment
17 Program or the Indian Health Service Loan Repay-
18 ment Program,

19 “(3) is not fulfilling service obligations under
20 such Programs, and

21 “(4) has not defaulted on such obligations.

22 “(c) MANDATORY SERVICE PERIOD.—For purposes
23 of this section, the term ‘mandatory service period’ means
24 the period of 60 consecutive calendar months beginning
25 with the first month the taxpayer is a qualified primary

1 health services provider. In the case of an individual who
2 is such a provider on the date of enactment of the Health
3 Care Access Improvement Act, such term means the pe-
4 riod of 60 consecutive calendar months beginning with the
5 first month after such date.

6 “(d) DEFINITIONS AND SPECIAL RULES.—For pur-
7 poses of this section—

8 “(1) BUREAU.—The term ‘Bureau’ means the
9 Bureau of Health Care Delivery and Assistance,
10 Health Resources and Services Administration of the
11 United States Public Health Service.

12 “(2) PHYSICIAN.—The term ‘physician’ has the
13 meaning given to such term by section 1861(r) of
14 the Social Security Act.

15 “(3) PRIMARY HEALTH SERVICES PROVIDER.—
16 The term ‘primary health services provider’ means a
17 provider of basic health services (as described in sec-
18 tion 330(b)(1)(A)(i) of the Public Health Service
19 Act).

20 “(4) HEALTH PROFESSIONAL SHORTAGE
21 AREA.—The term ‘health professional shortage area’
22 means a health professional shortage area (as de-
23 fined in section 332(a)(1) of the Public Health Serv-
24 ice Act).

25 “(e) RECAPTURE OF CREDIT.—

1 “(1) IN GENERAL.—If, during any taxable year,
 2 there is a recapture event, then the tax of the tax-
 3 payer under this chapter for such taxable year shall
 4 be increased by an amount equal to the product of—

5 “(A) the applicable percentage, and

6 “(B) the aggregate unrecaptured credits
 7 allowed to such taxpayer under this section for
 8 all prior taxable years.

9 “(2) APPLICABLE RECAPTURE PERCENTAGE.—

10 “(A) IN GENERAL.—For purposes of this
 11 subsection, the applicable recapture percentage
 12 shall be determined from the following table:

“If the recapture event occurs during:	The applicable recap- ture percentage is:
Months 1–24	100
Months 25–36	75
Months 37–48	50
Months 49–60	25
Months 61 and thereafter	0.

13 “(B) TIMING.—For purposes of subpara-
 14 graph (A), month 1 shall begin on the first day
 15 of the mandatory service period.

16 “(3) RECAPTURE EVENT DEFINED.—

17 “(A) IN GENERAL.—For purposes of this
 18 subsection, the term ‘recapture event’ means
 19 the failure of the taxpayer to be a qualified pri-
 20 mary health services provider for any month
 21 during any mandatory service period.

1 “(B) CESSATION OF DESIGNATION.—The
 2 cessation of the designation of any area as a
 3 rural health professional shortage area after the
 4 beginning of the mandatory service period for
 5 any taxpayer shall not constitute a recapture
 6 event.

7 “(C) SECRETARIAL WAIVER.—The Sec-
 8 retary may waive any recapture event caused by
 9 extraordinary circumstances.

10 “(4) NO CREDITS AGAINST TAX.—Any increase
 11 in tax under this subsection shall not be treated as
 12 a tax imposed by this chapter for purposes of deter-
 13 mining the amount of any credit under subpart A,
 14 B, or D of this part.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
 16 for subpart A of part IV of subchapter A of chapter 1
 17 of the Internal Revenue Code of 1986 is amended by in-
 18 serting after the item relating to section 25A the following
 19 new item:

“Sec. 25B. Primary health services providers serving health pro-
 fessional shortage areas.”.

20 (c) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to taxable years beginning after
 22 December 31, 1997.

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