

110TH CONGRESS
1ST SESSION

S. 290

To amend the Internal Revenue Code of 1986 to provide a tax credit to rural primary health providers.

IN THE SENATE OF THE UNITED STATES

JANUARY 12, 2007

Ms. MURKOWSKI (for herself and Mr. STEVENS) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide
a tax credit to rural primary health providers.

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 “Rural Physicians Re-
5 lief Act of 2007”.

6 **SEC. 2. NONREFUNDABLE CREDIT FOR RURAL PRIMARY**
7 **HEALTH SERVICES PROVIDERS.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of
10 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 25D the following new
2 section:

3 **“SEC. 25E. RURAL PRIMARY HEALTH SERVICES PRO-**
4 **VIDERS.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
6 dividual who is a qualified primary health services provider
7 for any month during the taxable year, there shall be al-
8 lowed as a credit against the tax imposed by this chapter
9 for such taxable year an amount equal to \$1,000 for each
10 month during such taxable year—

11 “(1) which is part of the eligible service period
12 of such individual, and

13 “(2) for which such individual is a qualified pri-
14 mary health services provider.

15 “(b) QUALIFIED PRIMARY HEALTH SERVICES PRO-
16 VIDER.—For purposes of this section, the term ‘qualified
17 primary health services provider’ means, with respect to
18 any month, any physician who is certified for such month
19 by the Bureau to be a primary health services provider
20 or a licensed mental health provider who—

21 “(1) is primarily providing primary health serv-
22 ices, and either—

23 “(A) substantially all of such primary
24 health services are provided in frontier areas

1 (within the meaning of section 330I(r) of the
2 Public Health Service Act), or

3 “(B) such primary health services are pro-
4 vided in a practice which includes rural patients
5 from frontier areas (as so defined) in a percent-
6 age of the total practice which is at least equal
7 to the percentage of total residents in the State
8 in which such practice is located who reside in
9 frontier areas (as so defined),

10 “(2) is not receiving during the calendar year
11 which includes such month a scholarship under the
12 National Health Service Corps Scholarship Program
13 or the Indian health professions scholarship program
14 or a loan repayment under the National Health
15 Service Corps Loan Repayment Program or the In-
16 dian Health Service Loan Repayment Program,

17 “(3) is not fulfilling service obligations under
18 such Programs, and

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

20 Such term shall not include any individual who is de-
21 scribed in paragraph (1) with respect to any of the 3 most
22 recent months ending before the date of the enactment
23 of this section.

24 “(c) ELIGIBLE SERVICE PERIOD.—For purposes of
25 this section, the term ‘eligible service period’ means the

1 period of 60 consecutive calendar months beginning with
2 the first month the taxpayer is a qualified primary health
3 services provider.

4 “(d) OTHER DEFINITIONS AND SPECIAL RULE.—For
5 purposes of this section—

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

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

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

18 “(4) ONLY 60 MONTHS TAKEN INTO AC-
19 COUNT.—In no event shall more than 60 months be
20 taken into account under subsection (a) by any indi-
21 vidual for all taxable years.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 for subpart A of part IV of subchapter A of chapter 1
24 of the Internal Revenue Code of 1986 is amended by in-

1 serring after the item relating to section 25D the following
2 new item:

“Sec. 25E. Rural primary health services providers.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2006.

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