

112TH CONGRESS
2D SESSION

H. R. 5849

To amend the Internal Revenue Code of 1986 to allow a deduction for
charity care provided by physicians.

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2012

Mr. SCHILLING 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 allow a
deduction for charity care provided by physicians.

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 “Charity Care Tax De-
5 duction for Physicians Act of 2012”.

6 **SEC. 2. PHYSICIAN CHARITY CARE DEDUCTION.**

7 (a) IN GENERAL.—Part VI of subchapter B of chap-
8 ter 1 of the Internal Revenue Code of 1986 is amended
9 by adding at the end the following new section:

1 **“SEC. 199A. PHYSICIAN CHARITY CARE.**

2 “(a) IN GENERAL.—In the case of a physician, there
3 shall be allowed as a deduction an amount equal to the
4 amount such physician would have otherwise charged for
5 qualified charity care provided by such physician during
6 the taxable year.

7 “(b) QUALIFIED CHARITY CARE.—For purposes of
8 this section—

9 “(1) QUALIFIED CHARITY CARE.—The term
10 ‘qualified charity care’ means physicians’ services
11 (as defined in section 1861(q) of the Social Security
12 Act) provided on a volunteer or pro bono basis.

13 “(2) PHYSICIAN.—The term ‘physician’ has the
14 meaning given to such term in section 1861 of the
15 Social Security Act (42 U.S.C. 1395x(r)).

16 “(c) LIMITATIONS.—

17 “(1) SERVICE CHARGE LIMITATION.—The
18 amount determined under subsection (a) with re-
19 spect to any services—

20 “(A) shall be reduced by any reimburse-
21 ment for such services, and

22 “(B) shall not exceed the medicare eco-
23 nomic index (referred to in the fourth sentence
24 of section 1842(b)(3) of the Social Security Act
25 (42 U.S.C. 1395u(b)(3)) applicable to the serv-
26 ices provided.

1 In the case of physicians' services to which the medi-
2 care economic index is not applicable, the Secretary,
3 in consultation with the Secretary of Health and
4 Human Services, shall use data on uncompensated
5 care for purposes of the limitation under subpara-
6 graph (B), and may adjust such data so as to be an
7 appropriate proxy, including a downward adjustment
8 to eliminate bad debt data from uncompensated care
9 data.

10 “(2) OVERALL LIMITATION.—The amount al-
11 lowed as a deduction under subsection (a) for any
12 taxable year shall not exceed an amount equal to 10
13 percent of the gross income of the taxpayer for the
14 taxable year derived from the taxpayer's provision of
15 physicians' services (as defined in section 1861(q) of
16 the Social Security Act).”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for part VI of subchapter B of chapter 1 of such Code
19 is amended by adding at the end the following new item:

“Sec. 199A. Physician charity care.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 the date of the enactment of this Act.

○