

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1190

Amendment Number: H2

Bill Subtitle: TO CLARIFY THE LAW REGARDING MEDICAID REIMBURSEMENTS FOR NURSING PROFESSIONALS.

Basic Change :

Rep Hammer, Harris

The bill establishes a credit against individual income tax in the amount of \$100 for each hour that a physician provides medical services at no cost to a charitable clinic. The credit cannot exceed \$5,000 per taxpayer per year. The credit shall not exceed the amount of income tax due by the taxpayer. Each clinic can certify up to 200 hours per year to physicians. The credit is effective for tax years beginning on or after January 1, 2013

Revenue Impact :

FY2014 - \$500,000 loss

FY2015 - \$500,000 loss

Taxpayer Impact :

Physicians who offer services free of cost to charitable clinics will be allowed a credit equal to \$100 per hour. The credit cannot exceed \$5,000 per taxpayer per year. The credit shall not exceed the amount of income tax due by the taxpayer.

Resources Required :

Computer programming changes, booklet changes, staff training

Time Required :

Adequate time is provided.

Procedural Changes :

Return processing procedures must be updated to verify eligibility and track the tax credit.

Legal Analysis :

Amendment H-2 amends the H3/25/13 engrossment of HB1190 with regard to the income tax credit of \$100 for each hour that a physician provides medical services at no cost to a charitable clinic.

The amendment limits the credit available per clinic to 200 hours of service per charitable clinic per year. DFA is required to promulgate rules to administer this limitation.