

NOTICE OF INTENT

Department of Revenue Policy Services Division

Small Town Health Professionals Credit (LAC 61:I.1915)

Under the authority of R.S. 47:297(H) and 47:1511 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to amend LAC 61:I.1915 regarding the small town health professionals credit.

The purpose of these proposed amendments is to implement the provisions of Act No. 338 of the 2019 Regular Session of the Louisiana Legislature. Act No. 338 amended the definition of certified medical primary care health professional to include a primary care physician assistant licensed by the state of Louisiana and an optometrist licensed by the state of Louisiana.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

§1915. Small Town Health Professionals Credit

A. General Description

1. The small town health professionals credit provides an individual income tax credit for certified medical primary care health professionals including:

- a. physicians possessing an unrestricted license by the state of Louisiana to practice medicine;
- b. dentists licensed by the state of Louisiana to practice dentistry;
- c. primary care nurse practitioners licensed by the state of Louisiana;
- d. primary care physician assistants licensed by the state of Louisiana; or
- e. optometrists licensed by the state of Louisiana.

2. To be eligible for the credit, a certified medical primary care health professional must:

a. establish and maintain the primary office of their practice which is, as determined by the Department of Health through annual application:

- i. for medical physicians, nurse practitioners, physician assistants, and optometrists, an area that is a primary care high needs geographic Health Professional Shortage Area (HPSA), or for dentists, a Dental Health Professional Shortage Area (DHPSA), as designated by the U.S. Department of Health and Human Services' Health Resources and Services Administration's Bureau of Health Workforce, Division of Policy and Shortage Designation (DPSD); and

ii. a rural area as defined in rules promulgated by the Department of Health (See LAC 48:I.10307 for parishes that meet the definition of rural.);

iii. accept Medicaid and Medicare payments for services rendered;

b. to be eligible for the credit, the certified medical primary care health professional must practice under the conditions set forth above for a period of not less than three tax years. In addition, the health professional must submit an annual application and receive certification from the Department of Health for each calendar year in order to claim the credit for the corresponding tax year. Under no circumstances shall a taxpayer receive the credit for more than one relocation or more than five tax years.

B. Definitions.

Certified Medical Primary Care Health Professional—a physician possessing an unrestricted license by the State of Louisiana to practice medicine, a dentist licensed by the State of Louisiana to practice dentistry, a primary care nurse practitioner licensed by the State of Louisiana, a primary care physician assistant licensed by the state of Louisiana, or an optometrist licensed by the state of Louisiana.

Department of Health—the Louisiana Department of Health

Department of Revenue—the Louisiana Department of Revenue

Health Professional Shortage Area/Dental Health Professional Shortage Area—an area so designated by the U.S. Department of Health and Human Services' Health Resources and Services Administration's Bureau of Health Workforce, Division of Policy and Shortage Designation (DPSD) as of December 31 of the year preceding the applicable application period.

C. - E.4. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:297(H) and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 44:1641 (September 2018), LR 45:

Family Impact Statement

The proposed amendments to LAC 61:I.1915 regarding the small town health professionals credit should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically, the proposed amendments to LAC 61:I.1915 will have no known or foreseeable effect on:

1. The stability of the family.
2. The authority and rights of parents regarding the education and supervision of their children.
3. The functioning of the family.
4. Family earnings and family budget.
5. The behavior and personal responsibility of children.
6. The ability of the family or a local government to perform this function.

Poverty Statement

The proposed amendments to LAC 61:I.1915 will have no impact on poverty as described in R.S. 49:973.

Small Business Statement

It is anticipated that the proposed amendments to LAC 61:I.1915 should not have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental, and economic factors, has considered, and, where possible, utilized regulatory methods in drafting the proposed amendments to LAC 61:I.1915 to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed amendments to LAC 61:I.1915 will have no known or foreseeable effect on:

1. The staffing levels requirements or qualifications required to provide the same level of service.
2. The total direct and indirect effect on the cost to the provider to provide the same level of service.
3. The overall effect on the ability of the provider to provide the same level of service.

Public Comments

Any interested person may submit written data, views, arguments, or comments regarding this proposed rule to Danielle B. Clapinski, Attorney, Policy Services Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All written comments must be received no later than 4:30 p.m. on October 25, 2019.

Public Hearing

A public hearing will be held on October 28, 2019, at 10:30 a.m. in the LaBelle Room, on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Kimberly Lewis Robinson
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Small Town Health Professionals Credit

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The purpose of these proposed rule amendments is to implement the provisions of Act 338 of the 2019 Regular Session of the Louisiana Legislature. For purposes of the Small Town Health Professionals Tax Credit, Act 338 amended the definition of certified medical primary care health professional to include a primary care physician assistant licensed by the state of Louisiana and an optometrist licensed by the state of Louisiana. These amendments incorporate the addition of primary care physician assistants and optometrists into the existing rule.

Implementation of this proposal will not result in material additional costs or cost savings to the Louisiana Department

of Revenue (LDR). Local governments are not affected by this proposal.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

An annual decrease of approximately \$77,000 in state revenue collections is anticipated from implementation of this proposal. Local governments are not affected by this proposal.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Physician assistants and optometrists applying for the credit will incur the additional paperwork of applying for the credit, which is not expected to be costly. Physician assistants receiving this credit are expected to experience tax savings of approximately \$65,000, and optometrists are expected to save approximately \$12,000 per year. No material impacts on receipts and/or income is expected as a result of this proposal Rule.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This proposal is not expected to have any significant effect on competition or employment.

Kimberly Lewis Robinson
Secretary
1909#046

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