§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; or
   c. primary care nurse practitioners 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 and nurse practitioners, 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 48:1.10307 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, or a primary care nurse practitioner licensed by the State of Louisiana.
list of all approved applicants in a machine-sensible format, including but not limited to an Excel spreadsheet.

2. Pursuant to R.S. 47:297(H), an approved application shall authorize a taxpayer for eligibility for a nonrefundable credit with no carryforward equal to the lesser of the tax due or $3,600, unless subject to proration, for the tax period deemed eligible. In the event the taxpayer is subject to proration due to the credit cap provisions, the taxpayer shall only be eligible for a credit equal to the pro rata amount for the tax period deemed eligible.

3. For each calendar year, beginning with calendar year 2018, the Department of Health shall not certify credits in excess of $1,500,000. For purposes of administering the credit cap, the Department of Health shall count each approved application at a value of $3,600 or, if subject to proration, the pro rata value. Applications shall be approved as eligible for the credit by the Department of Health on a first-come, first-served basis as determined by the postmarked or received date of a completed Louisiana small town health professional credit application. An application shall not be considered received until all information requested by the Department of Health has been submitted.

4. All applications received on the same business day shall be treated as received at the same time, and if the aggregate amount of requests received on the same business day exceeds the total amount of available tax credits, tax credits shall be approved on a pro rata basis. In such instance, applicants limited by the credit cap provisions shall be eligible for only the pro rata share of their credit.

5. The tax credit shall be earned upon approval from the Department of Health. However, in the event it is determined by the Department of Health that the taxpayer has not maintained the requirements of Subsection A of this Section, any amounts certified by the Department of Health are subject to disallowance by the Department of Revenue and any amounts allowed to offset tax, penalties or interest are subject to recapture by the Department of Revenue.

E. Credits

1. Credits certified by the Department of Health may only be used to offset tax for the taxable period deemed eligible. Any amount certified must be claimed on a return filed within the calendar year subsequent to the calendar year of application. Any credits claimed against a taxable period other than the period authorized or filed on a return before or after the calendar year which is subsequent to the calendar year of application will be disallowed.


2. For each calendar year, beginning with calendar year 2018, the Department of Revenue shall not grant credits in excess of $1,500,000. For purposes of administering the credit cap, the Department of Revenue shall count each approved credit at the lesser of the tax due or other amount deemed eligible according to the certification issued by the Department of Health. Credits shall be granted by the Department of Revenue on a first-come, first-served basis as determined by the received date of a completed individual income tax return. A return shall not be considered received until all information requested by the Department of Revenue has been submitted.

3. All returns received on the same business day shall be treated as received at the same time, and if the aggregate amount of claims received on the same business day exceeds the total amount of available tax credits, tax credits shall be approved on a pro rata basis. In such instance, taxpayers limited by the credit cap provisions shall be eligible for only the pro rata share of their credit.

4. The provisions of this Subsection are in addition to and shall not limit the authority of the Secretary of the Department of Revenue to assess or to collect under any other provision of law.

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).