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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2907

03/15/2012 Authored by Franson and Gruenhagen
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxes; individual income; allowing a credit for uncompensated
1.3 medical care provided by physicians; amending Minnesota Statutes 2010, section
1.4 290.06, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2010, section 290.06, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 36. Charity care credit. (a) A credit is allowed against the tax imposed
1.9 under this chapter for uncompensated medical care provided by a physician to an eligible
1.10 individual. The credit equals 50 percent of the fair market value of uncompensated
1.11 medical care provided during the taxable year. The maximum credit allowed is \$..... To
1.12 qualify for the credit, the medical care must be a medical procedure covered by Medicare.

1.13 (b) For purposes of this subdivision, the following terms have the meanings given:

1.14 (1) "eligible individual" means a resident of this state who is not covered by health
1.15 insurance and is a member of a household whose combined household income for the
1.16 taxable year is less than the federal poverty level for that household for the applicable
1.17 taxable year;

1.18 (2) "fair market value of uncompensated medical care" must not exceed the
1.19 reimbursement rate authorized under Medicare for the medical procedure for which a
1.20 credit is allowed by this subdivision. Fair market value of uncompensated medical care
1.21 excludes any medical procedure for which the physician has received or sought a payment
1.22 from a health plan, government program, or patient;

1.23 (3) "household income" has the meaning given in section 290.067, subdivision
1.24 2a; and

2.1 (4) "physician" means a person licensed to practice medicine under chapter 147.

2.2 (c) If the credit allowed under this subdivision exceeds the taxpayer's liability for the
2.3 taxable year, the excess is a credit carryover to each of the ... succeeding taxable years.
2.4 The entire amount of the excess unused credit must be carried first to the earliest taxable
2.5 year to which the amount may be carried. The unused portion of the credit must be carried
2.6 to the following taxable year. No credit may be carried to a taxable year more than ...
2.7 years after the taxable year in which the credit was earned.

2.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
2.9 December 31, 2011.