

REFERENCE TITLE: tax credit; medical liability insurance

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1354

Introduced by

Senators Aguirre, Landrum Taylor; Representatives Bradley, Gallardo, Pancrazi; Senators Aboud, Allen, Arzberger, Burton Cahill, Garcia, Hale, McCune Davis, Miranda, O'Halleran, Soltero; Representatives Lopes, Ulmer

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1086; RELATING TO INDIVIDUAL INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-222, Arizona Revised Statutes, is amended to
3 read:

4 43-222. Income tax credit review schedule

5 Each year the joint legislative income tax credit review committee
6 shall review the following income tax credits:

7 1. In 2006, sections 43-1073, 43-1089, 43-1089.01, 43-1089.02,
8 43-1090, 43-1176 and 43-1181.

9 2. In 2007, sections 43-1077, 43-1078, 43-1079, 43-1080, 43-1165,
10 43-1166, 43-1167 and 43-1169.

11 3. In 2008, sections 43-1074.01, 43-1081, 43-1168, 43-1170 and
12 43-1178.

13 4. In 2009, sections 43-1076, 43-1081.01, 43-1084, 43-1162 and
14 43-1170.01.

15 5. In 2010, sections 43-1075, 43-1079.01, 43-1087, 43-1088,
16 43-1090.01, 43-1163, 43-1167.01, 43-1175 and 43-1182.

17 6. In 2011, sections 43-1074.02, 43-1083, 43-1085, ~~and~~ 43-1164 and
18 43-1183.

19 7. IN 2012, SECTION 43-1086.

20 Sec. 2. Title 43, chapter 10, article 5, Arizona Revised Statutes, is
21 amended by adding section 43-1086, to read:

22 43-1086. Credit for medical liability insurance premiums

23 A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2007
24 THROUGH DECEMBER 31, 2012, A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY
25 THIS TITLE FOR THE ANNUAL MEDICAL LIABILITY INSURANCE PREMIUMS THAT ARE PAID
26 BY THE TAXPAYER. THE AMOUNT OF THE CREDIT SHALL BE DETERMINED BY THIS
27 SECTION, BUT NOT EXCEEDING SEVEN THOUSAND FIVE HUNDRED DOLLARS.

28 B. TO QUALIFY FOR THE CREDIT UNDER THIS SECTION THE TAXPAYER MUST:

29 1. BE A PHYSICIAN WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 13 OR
30 17, WHO HAS COMPLETED AN ACCREDITED RESIDENCY PROGRAM AND WHO IS PRACTICING
31 IN OBSTETRICS, GYNECOLOGY, PEDIATRICS, INTERNAL MEDICINE, FAMILY PRACTICE OR
32 GENERAL PRACTICE.

33 2. PRACTICE IN A MEDICALLY-UNDERSERVED AREA AS PRESCRIBED BY SECTION
34 36-2352.

35 C. THE AMOUNT OF THE CREDIT IS EQUAL TO THE SUM OF THE FOLLOWING:

36 1. TEN PER CENT OF THE AMOUNT THAT EXCEEDS THIRTY THOUSAND DOLLARS BUT
37 NOT MORE THAN SEVENTY THOUSAND DOLLARS THAT WAS PAID BY THE TAXPAYER FOR
38 MEDICAL LIABILITY INSURANCE PREMIUMS DURING THE TAXABLE YEAR.

39 2. TWENTY PER CENT OF THE AMOUNT, IF ANY, THAT EXCEEDS SEVENTY
40 THOUSAND DOLLARS THAT WAS PAID BY THE TAXPAYER FOR MEDICAL LIABILITY
41 INSURANCE PREMIUMS DURING THE TAXABLE YEAR.

42 D. IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER
43 THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE UNDER THIS
44 TITLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CLAIM NOT USED TO OFFSET THE

1 TAXES UNDER THIS TITLE FORWARD FOR NOT MORE THAN FIVE CONSECUTIVE TAXABLE
2 YEARS' INCOME TAX LIABILITY.

3 Sec. 3. Purpose

4 Pursuant to section 43-223, Arizona Revised Statutes, the legislature
5 enacts section 43-1086, Arizona Revised Statutes, as added by this act, to
6 reduce the amount of state income taxes paid by physicians in this state who
7 pay more than thirty thousand dollars in annual medical liability insurance
8 premiums.