

109TH CONGRESS  
1ST SESSION

# H. R. 3299

To amend the Internal Revenue Code of 1986 to provide a credit against income tax to physicians who serve a substantial number of medicare beneficiaries in rural areas.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2005

Mr. GIBBONS introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a credit against income tax to physicians who serve a substantial number of medicare beneficiaries in rural areas.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Physician Incentives  
5       to Serve Rural America Act of 2005”.

1 **SEC. 2. NONREFUNDABLE CREDIT FOR PHYSICIANS SERV-**  
2 **ING MEDICARE BENEFICIARIES IN CERTAIN**  
3 **RURAL AREAS.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 (relating to nonrefundable personal credits) is  
7 amended by inserting after section 25B the following new  
8 section:

9 **“SEC. 25C. PHYSICIANS SERVING MEDICARE BENE-**  
10 **FICIARIES IN CERTAIN RURAL AREAS.**

11 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
12 dividual—

13 “(1) who is a physician, and

14 “(2) who satisfies the rural area service require-  
15 ment during the taxable year,

16 there shall be allowed as a credit against the tax imposed  
17 by this chapter for such taxable year an amount equal to  
18 \$20,000.

19 “(b) CREDIT ALLOWED ONLY ONCE.—The credit al-  
20 lowable by this section for any taxable year shall be al-  
21 lowed only if elected by the taxpayer for such year. The  
22 taxpayer may make an election under this section for any  
23 taxable year only if no election by the taxpayer is in effect  
24 under this section for any prior taxable year.

25 “(c) RURAL SERVICE REQUIREMENT.—

1           “(1) IN GENERAL.—For purposes of this sec-  
2           tion, the rural area service requirement is met with  
3           respect to a taxpayer if, during any 2-year period  
4           ending during the taxable year, the taxpayer fur-  
5           nished physicians’ services constituting at least 350  
6           physician encounters (as defined by the Secretary in  
7           consultation with the Secretary of Health and  
8           Human Services)—

9                   “(A) which are eligible for payment under  
10                  medicare, and

11                   “(B) which are furnished at an office, hos-  
12                  pital, or other facility located in a rural area.

13           “(2) RURAL AREA.—For purposes of paragraph  
14           (1), the term ‘rural area’ means any 5-digit ZIP  
15           code that is determined, based on Rural-Urban Com-  
16           muting Area (RUCA) codes ZIP code version, which  
17           were developed by the Economic Research Service in  
18           the Department of Agriculture in collaboration with  
19           the Office of Rural Health Policy in the Department  
20           of Health and Human Services—

21                   “(A) to have a RUCA code of 7 or greater  
22                  and is not classified as RUCA code 7.1, 8.1, or  
23                  10.1; or

24                   “(B) to have a RUCA code of 4, 5, or 6,  
25                  whose core Urban Cluster (as defined by the

1 Bureau of the Census and as having RUCA  
2 codes 4s) has a total population of less than  
3 30,000, and is not classified as RUCA code 4.1  
4 or 5.1.

5 The determination under the preceding sentence  
6 shall be made on the basis of the most recent and  
7 available version of the RUCA codes.

8 “(d) PHYSICIAN; PHYSICIANS’ SERVICES.—For pur-  
9 poses of this section, the terms ‘physician’ and ‘physicians’  
10 services’ have the meaning given to such terms by sub-  
11 sections (r)(1) and (q), respectively, of section 1861 of the  
12 Social Security Act (42 U.S.C. 1395x).”

13 (b) CLERICAL AMENDMENT.—The table of sections  
14 for subpart A of part IV of subchapter A of chapter 1  
15 of such Code is amended by inserting after the item relat-  
16 ing to section 25B the following new item:

“Sec. 25C. Physicians serving medicare beneficiaries in certain rural areas.”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2005, and to periods referred to in section  
20 25C(c)(1) of the Internal Revenue Code of 1986 (as added  
21 by this section) ending after such date.

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