

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1511 Session of  
2002

INTRODUCED BY C. WILLIAMS, GREENLEAF, ORIE AND SCHWARTZ,  
AUGUST 30, 2002

REFERRED TO FINANCE, AUGUST 30, 2002

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," providing for a medical professional liability  
11 insurance tax credit.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
15 the Tax Reform Code of 1971, is amended by adding an article to  
16 read:

17 ARTICLE XVIII-C

18 MEDICAL PROFESSIONAL LIABILITY INSURANCE

19 TAX CREDIT

20 Section 1801-C. Scope.

21 This article establishes a certain credit against tax  
22 liability for medical professional liability insurance expenses.

1 Section 1802-C. Definitions.

2 The following words and phrases when used in this article  
3 shall have the meanings given to them in this section unless the  
4 context clearly indicates otherwise:

5 "Department." The Department of Revenue of the Commonwealth.

6 "Hospital." An entity licensed as a hospital under the act  
7 of June 13, 1967 (P.L.31, No.21), known as the Public Welfare  
8 Code, or the act of July 19, 1979 (P.L.130, No.48), known as the  
9 Health Care Facilities Act.

10 "Mcare Act." The act of March 20, 2002 (P.L.154, No.13),  
11 known as the Medical Care Availability and Reduction of Error  
12 (Mcare) Act.

13 "Physician." An individual licensed under the laws of this  
14 Commonwealth to engage in the practice of:

15 (1) medicine and surgery in all its branches, within the  
16 scope of the act of December 20, 1985 (P.L.457, No.112),  
17 known as the Medical Practice Act of 1985; or

18 (2) osteopathic medicine and surgery, within the scope  
19 of the act of October 5, 1978 (P.L.1109, No.261), known as  
20 the Osteopathic Medical Practice Act.

21 Section 1803-C. Tax credit.

22 The department shall provide a credit for any tax liability  
23 imposed pursuant to Article III or IV in an amount equal to 10%  
24 of any applicable medical professional liability insurance  
25 premium, surcharge, payment or other cost or expense required as  
26 a condition of licensure under Chapter 7 of the Mcare Act for  
27 each physician not exempt under section 711(j) of the Mcare Act.  
28 If the medical professional liability insurance, required as a  
29 condition of licensure, is provided by a hospital to the  
30 physician, the credit shall be claimed by the hospital.

1 Section 1804-C. Sunset.

2 The provisions of this article shall expire on June 30, 2004.

3 Section 2. This act shall apply to taxable years beginning  
4 after December 31, 2001.

5 Section 3. This act shall take effect immediately.