

CHAPTER 134**COLLEGE STUDENT AID — OSTEOPATHIC STUDENTS***H.F. 410*

AN ACT relating to programs administered by the college student aid commission and establishing an osteopathic physician recruitment program.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 261.19, Code 1997, is amended by striking the section and inserting in lieu thereof the following:

261.19 OSTEOPATHIC PHYSICIAN RECRUITMENT PROGRAM.

1. A physician recruitment program is established, to be administered by the college student aid commission, for the university of osteopathic medicine and health sciences of Des Moines, Iowa. The program shall consist of a forgivable loan program and a tuition scholarship program for students and a loan repayment program for physicians. The commission shall regularly adjust the physician service requirement under each aspect of the program to provide, to the extent possible, an equal financial benefit for each period of service required. From funds appropriated for purposes of the program by the general assembly, the commission shall pay a fee to the university of osteopathic medicine and health sciences for the administration of the program. A portion of the fee shall be paid by the commission to the university based upon the number of physicians recruited under subsection 4.

2. A forgivable loan may be awarded to a resident of Iowa who is enrolled at the university of osteopathic medicine and health sciences if the student agrees to practice in this state for a period of time to be determined by the commission at the time the loan is awarded. Forgivable loans to eligible students shall not become due and interest on the loan shall not accrue until after the student completes a residency program. If the student completes the period of practice established by the commission and agreed to by the student, the loan amount shall be forgiven. The loan amount shall not be forgiven if the osteopathic physician fails to complete the required time period of practice in this state or fails to satisfactorily continue in the university's program of medical education.

3. A student enrolled at the university of osteopathic medicine and health sciences shall be eligible for a tuition scholarship for the student's study at the university. The scholarship shall be for an amount not to exceed the annual tuition at the university. A student who receives a tuition scholarship shall not be eligible for the loan repayment program provided for by this section. A student who receives a tuition scholarship shall agree to practice in an eligible rural community in this state for a period of time to be determined by the commission at the time the scholarship is awarded. The student shall repay the scholarship to the commission if the student fails to practice in a medically underserved rural community in this state for the required period of time.

4. A physician shall be eligible for the physician loan repayment program if the physician agrees to practice in an eligible rural community in this state. The university of osteopathic medicine and health sciences shall recruit and place physicians in rural communities which have agreed to provide additional funds for the physician's loan repayment. The contract for the loan repayment shall stipulate the time period the physician shall practice in an eligible rural community in this state. In addition, the contract shall stipulate that the physician repay any funds paid on the physician's loan by the commission if the physician fails to practice in an eligible rural community in this state for the required period of time. For purposes of this subsection, "eligible rural community" means a medically underserved rural community which agrees to match state funds provided on at least a dollar-for-dollar basis for the loan repayment of a physician who practices in the community.

5. The commission shall adopt rules pursuant to chapter 17A to administer this section.

Sec. 2. Sections 261.18 and 261.19A, Code 1997, are repealed.

Approved May 7, 1997

CHAPTER 135

INTERNAL REVENUE CODE REFERENCES AND INCOME TAX PROVISIONS

S.F. 129

AN ACT updating the Iowa Code references to the Internal Revenue Code and providing a retroactive applicability date and an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 15.335, unnumbered paragraph 1, Code 1997, is amended to read as follows:

An eligible business may claim a corporate tax credit for increasing research activities in this state during the period the eligible business is participating in the program. The credit equals six and one-half percent of the state's apportioned share of the qualifying expenditures for increasing research activities. The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to total qualified research expenditures. The credit allowed in this section is in addition to the credit authorized in section 422.33, subsection 5. If the eligible business is a partnership, subchapter S corporation, limited liability company, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, subchapter S corporation, limited liability company, or estate or trust. For purposes of this section, "qualifying expenditures for increasing research activities" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under section 41 of the Internal Revenue Code in effect on January 1, ~~1994~~ 1997.

Sec. 2. Section 15A.9, subsection 8, unnumbered paragraph 2, Code 1997, is amended to read as follows:

For the purposes of this section, "qualifying expenditures for increasing research activities" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under section 41 of the Internal Revenue Code in effect on January 1, ~~1996~~ 1997. The credit authorized in this subsection is in lieu of the credit authorized in section 422.33, subsection 5.

Sec. 3. Section 422.3, subsection 4, Code 1997, is amended to read as follows:

4. "Internal Revenue Code" means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including ~~March 20, 1996~~ January 1, 1997, whichever is applicable.

Sec. 4. Section 422.7, subsection 8, Code 1997, is amended to read as follows:

8. Subtract the amount of the ~~jobs work opportunity~~ tax credit allowable for the tax year under section 51 of the Internal Revenue Code to the extent that the credit increased federal adjusted gross income.