



TO: House Members
FROM: Rep. Ron Young
DATE: October 24, 2017
RE: Sponsor Testimony – **Allow tax deduction to physician providing free services**

Chairman Shaffer, Vice Chair Becker, Ranking Member Rogers, Members of the House Ways and Means Committee, thank you for giving me the opportunity to provide sponsor testimony on HB 317.

I have introduced this bill in an effort to highlight the nearly 2,000 physicians in Ohio who provided approximately 35,000 volunteer hours in 2016.

House Bill 317 allows for a physician who provides uncompensated care through a hospital, free clinic, or a medical mission organization, such as Doctors Without Borders, to take a personal tax deduction of up to \$10,000 at the uncompensated rate of \$125/hr. This deduction may be taken for up to six years and the care must be verified through the hospital, clinic, or organization with whom the physician is working. This includes non-profit groups that support victims of natural disasters or armed conflict.

Ohio's physicians currently give whatever is necessary to care for those who do not have the means at hand to care for themselves, and for the most part doctors have been willing to shoulder the load. This legislation gives them added incentive to care for the poor and serves as recognition of their efforts from an appreciative society. This simple gesture would potentially be saving each participant a maximum of \$500/year in taxes paid to the state.

As you are well aware, the majority of hospitals in the state are currently non-profit and they do provide a great deal of charity care. My understanding is that this is largely why they receive their tax-exempt status. Their doctor's however are still paid by the hospital in most cases and this bill would not effect that in any way. HB 317 is specifically for those times in which the physician is uncompensated in any way for a service that he or she has provided.

I believe that this incentive will increase the amount of uncompensated care in hospitals, free clinics, and mission organizations.

By increasing the overall amount of such care it is probable that this initiative will help those without means live healthier lives and thus decrease the need for more serious medical care among this population.

This legislation has the full support of the Ohio Association of Free Clinics and has been drafted with input from the Ohio Department of Taxation, Ohio Hospital Association, and the Ohio State Medical Association. I look forward to proponent testimony in the near future at the Chairman's discretion. Thank you for your consideration. I am willing to answer any questions you might have at this time.