

109TH CONGRESS
1ST SESSION

H. R. 4641

To amend the Internal Revenue Code of 1986 to increase the deduction under section 179 for the purchase of qualified health care information technology by medical care providers and to allow a credit against tax for applicable telecommunications charges paid or incurred by such providers.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2005

Mr. GINGREY (for himself, Mr. NORWOOD, Mr. GARRETT of New Jersey, Mrs. CAPITO, and Miss MCMORRIS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the deduction under section 179 for the purchase of qualified health care information technology by medical care providers and to allow a credit against tax for applicable telecommunications charges paid or incurred by such providers.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Assisting Doctors to
3 Obtain Proficient and Transmissible Health Information
4 Technology (ADOPT HIT) Act of 2005”.

5 **SEC. 2. PURCHASE OF QUALIFIED HEALTH CARE INFORMA-**
6 **TION TECHNOLOGY.**

7 (a) IN GENERAL.—Section 179 of the Internal Rev-
8 enue Code of 1986 (relating to election to expense certain
9 depreciable assets) is amended by adding at the end the
10 following new subsection:

11 “(e) HEALTH CARE INFORMATION TECHNOLOGY.—

12 “(1) IN GENERAL.—In the case of qualified
13 health care information technology purchased by a
14 medical care provider and placed in service during a
15 taxable year—

16 “(A) subsection (b)(1) shall be applied by
17 substituting ‘\$250,000’ for ‘\$100,000’,

18 “(B) subsection (b)(2) shall be applied by
19 substituting ‘\$600,000’ for ‘\$400,000’, and

20 “(C) subsection (b)(5)(A) shall be applied
21 by substituting ‘\$250,000 and \$600,000’ for
22 ‘\$100,000 and \$400,000’.

23 “(2) DEFINITIONS.—For purposes of this sub-
24 section—

25 “(A) QUALIFIED HEALTH CARE INFORMA-
26 TION TECHNOLOGY.—The term ‘qualified health

1 care information technology’ means section 179
2 property which is used primarily for the elec-
3 tronic creation, maintenance, and exchange of
4 medical care information to improve the quality
5 or efficiency of medical care.

6 “(B) MEDICAL CARE PROVIDER.—The
7 term ‘medical care provider’ means any person
8 engaged in the trade or business of providing
9 medical care.

10 “(C) MEDICAL CARE.—The term ‘medical
11 care’ has the meaning given such term by sec-
12 tion 213(d).”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to property placed in service after
15 December 31, 2004.

16 **SEC. 3. TELECOMMUNICATIONS CREDIT FOR QUALIFIED**
17 **MEDICAL CARE PROVIDERS.**

18 (a) IN GENERAL.—Subpart D of part IV of sub-
19 chapter A of chapter 1 of the Internal Revenue Code of
20 1986 (relating to business related credits) is amended by
21 adding at the end the following new section:

22 **“SEC. 45N. TELECOMMUNICATIONS CREDIT FOR QUALI-**
23 **FIED MEDICAL CARE PROVIDERS.**

24 “(a) GENERAL RULE.—For purposes of section 38,
25 in the case of a qualified medical care provider, the tele-

1 communications credit determined under this section for
2 a taxable year is an amount equal to 50 percent of the
3 applicable telecommunications charges paid or incurred by
4 such provider during the taxable year.

5 “(b) DOLLAR LIMITATION.—In the case of a qualified
6 medical care provider, the credit determined under sub-
7 section (a) for a taxable year shall not exceed \$10,000.

8 “(c) DEFINITIONS.—For purposes of this section—

9 “(1) APPLICABLE TELECOMMUNICATIONS
10 CHARGES.—The term ‘applicable telecommunications
11 charges’ means expenses paid or incurred for the
12 purpose of installing or maintaining a communica-
13 tions network that supports interoperability of elec-
14 tronic medical record systems.

15 “(2) QUALIFIED MEDICAL CARE PROVIDER.—
16 The term ‘qualified medical care provider’ means
17 any person engaged in the trade or business of pro-
18 viding medical care (as defined in section 213(d))
19 who has purchased qualified health care information
20 technology (as defined in section 179(e)).”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 38(b) of such Code is amended by
23 striking “plus” at the end of paragraph (25), by
24 striking the period at the end of paragraph (26) and

1 inserting “, plus”, and by adding at the end the fol-
2 lowing new paragraph:

3 “(27) the telecommunications credit determined
4 under section 45N.”.

5 (2) The table of sections for subpart D of part
6 IV of subchapter A of chapter 1 of such Code is
7 amended by adding at the end the following new
8 item:

“Sec. 45N. Telecommunications credit for qualified medical care providers.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to expenses paid or incurred after
11 December 31, 2004.

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