



# PAUL TITTL

STATE REPRESENTATIVE • 25<sup>TH</sup> ASSEMBLY DISTRICT

Assembly Committee on Ways and Means

Assembly Bill 267

January 19, 2022

First of all, I would like to thank you, Chairman Macco and committee members, for allowing me to testify before you today on Assembly Bill 267.

Seventy-five percent of Wisconsin's counties face a "significant shortage" of psychiatrists, having less than one psychiatrist per 10,000 residents. Thirty-seven have less than one for 30,000 residents, and twenty counties have no psychiatrist at all. Those shortages are especially critical in light of the COVID situation, because people in isolation have really struggled with mental health and substance use.

AB 267 addresses this critical situation by creating a tax incentive for psychiatrists graduating from medical school who stay in Wisconsin to practice psychiatry. The tax incentive also extends to psychiatrists from other states who move to Wisconsin to practice.

Under the bill, psychiatrists practicing in underserved areas of the state could claim a deduction for the first \$200,000 of income earned in a taxable year. Psychiatrists serving in other areas could claim a \$100,000 deduction. In either case, the deduction could be claimed for a total of five years and must be taken within the first two years a psychiatrist begins to practice in this state or returns to Wisconsin after practicing in another state. The deduction may be taken for 5 years.

Some would think these modifications would be very expensive. However, the cost of doing nothing is far more expensive. The truth is, this bill costs us nothing, because these people are not practicing here at this point anyway. Further, if need be we could add a sunset provision. In addition, the bill also contains a clawback provision requiring psychiatrists leaving the state during the five-year period to pay taxes that would have been due if this tax provision were not in place.

When people suffer with untreated mental health matters, their situations often get worse, become more difficult to address, and spill over into family, social and employment settings, leading to significantly higher financial and social costs.

Attracting psychiatrists to our state and addressing these situations today is better than leaving them for our children and grandchildren to handle when the problems have grown even larger.

Thank you for this opportunity to testify before you today. I appreciate your consideration of this bill and would be happy to take any questions you might have.

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**From:** Senator Kathy Bernier  
**To:** The Assembly Committee on Ways and Means  
**Re:** Testimony on Assembly Bill 267  
**Relating to:** creating an individual income tax deduction for certain income earned by an individual from the practice of psychiatry.  
**Date:** January 19, 2022

Thank you Chairman Macco and committee members for allowing me to provide testimony on Assembly Bill 267 today. Representative Paul Tittl approached me with this bill idea and I thought it was an outside-the-box solution to a problem of which we are all acutely aware: the need for better mental health systems in our local communities.

As we stated in our co-sponsorship memorandum, twenty counties in Wisconsin have no practicing psychiatrist and over fifty of Wisconsin's 72 counties face a significant shortage of psychiatrists. It is projected that more than half of Wisconsin adults in need of mental health services are likely to go without care if action is not taken to reduce the shortage.

This bill gives an extra financial incentive for psychiatrists to practice in underserved areas. However, it is intended to give all areas of the state a boost, and is written to do just that.

This bill also contains a clawback provision to recapture the tax deduction from psychiatrists who leave the state during the time that they have claimed the deduction.

Our mental health systems need help. Access to licensed psychiatrists is a key piece of our mental health response. This problem isn't going to get better by itself; it is a problem that demands legislative attention. I think Representative Tittl came up with a fantastic solution in this bill and I urge a full vote by the Committee on Ways and Means.

Thank you again for your time and consideration.