This bill will help America’s farmers and ranchers get the veterinary services they need.

**What will this bill do?**

Veterinarians protect the nation’s food supply and keep animals healthy. Veterinarians awarded through the Veterinary Medicine Loan Repayment Program (VMLRP) provide routine and emergency veterinary services and other services as required for the interstate movement of livestock as well as disease surveillance and diagnostics for state and federal animal health programs. They provide herd health plans including: preventative medicine and nutrition and reproduction management consultation services. VMLRP veterinarians play a role in a state’s veterinary emergency response team and take part in disease control and eradication programs. They provide veterinary medical care primarily for food animals, including: beef and dairy cattle, poultry, swine, dairy and meat goats, and sheep in the U.S. Department of Agriculture’s designated veterinary shortage areas.

VMLRP awards are subject to a 39 percent withholding tax. The cost per participant over an initial three-year contract is up to $104,250 ($75,000 for the loan repayment award and $29,250 for withholding taxes). The USDA pays the withholding tax to the Internal Revenue Service on behalf of its participants. Why 39 percent? The VMLRP was modeled after the National Health Service Corps’ Loan Repayment Program, which was subject to a 39 percent withholding tax until Congress exempted the awards in 2004.

Congress set a precedent in 2004. The National Health Service Corps’ loan repayment program awards were exempted from the withholding tax by the American Jobs Creation Act (PL 108-357), enacted on Oct. 22, 2004, which was the year after the VMRLP was established.

By enacting this legislation, similar state loan repayment programs would also exempt veterinarians from this withholding tax. Twenty states have authorized loan repayment programs for veterinarians, including: Arkansas, Connecticut, Georgia, Illinois, Kansas, Kentucky, Louisiana, Maine, Minnesota, Missouri, Nebraska, New Hampshire, North Dakota, Ohio, Oklahoma, Pennsylvania, Texas, Vermont, Washington, and Wyoming.

**Status of the bill:**

- Senators Mike Crapo (R-Idaho) and Debbie Stabenow (D-Mich.) introduced the bill on Feb. 10, 2015, and it was referred to the Senate Committee on Finance.
- Senators are urged to cosponsor this bill by contacting Casey Atterby (Crapo) at 202.224.6142 or Grant Colvin (Stabenow) at 202.224.1405.

Key points:

- VMLRP repays up to $75,000 in qualified educational loans for veterinarians who sign contracts with the USDA to practice food animal or public health medicine in designated veterinary shortage areas. (For reference: the average graduating debt for veterinarians in 2014 was $135,283.)
- VMLRP awards are subject to a 39 percent withholding tax.
- If Congress passes this bill, the USDA can get more veterinarians into areas where America’s ranchers and farmers need them most without having to increase the program’s annual congressional appropriations.
- Congress has appropriated $33.4 million to the VMLRP since fiscal 2006, including $5 million in fiscal 2015.
- Since 2010, 286 veterinarians out of nearly 860 applicants were selected for VMLRP awards, showing the competition within the veterinary profession.
- VMLRP veterinarians now practice in 45 states, Puerto Rico and on U.S. federal lands.
- VMLRP awardees will play an important role in protecting food safety by overseeing the use of antimicrobials in food-producing animals, per the FDA’s new Guidance for Industry #209 and #213.

For more information, contact Gina Luke at 202.289.3204 or gluke@avma.org. Learn more: avma.org/advocacy