

Senate Bill 12

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides tax credit for principal and interest payments on qualifying student loans made by health care practitioners serving medically underserved areas.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to health care practitioner student loan tax credit; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Health care practitioner" means a physician, physician assistant, dentist, pharmacist**
7 **or nurse practitioner, as those terms are defined in ORS 442.550.**

8 (b) **"Qualifying loan" has the meaning given that term in ORS 442.550.**

9 (2) **A credit against the taxes that are otherwise due under ORS chapter 316 shall be al-**
10 **lowed to a taxpayer for principal and interest payments on qualifying loans.**

11 (3) **To qualify for the credit under this section:**

12 (a) **The taxpayer must be serving a medically underserved area as a health care practi-**
13 **tioner; and**

14 (b) **The taxpayer must devote to qualifying service more than 60 percent of the taxpayer's**
15 **working hours during the tax year.**

16 (4)(a) **The amount of the credit allowed under this section may not exceed \$12,000 for the**
17 **tax year and shall be reduced by any amount that the taxpayer has received offsetting the**
18 **qualifying loan during the tax year pursuant to ORS 442.560 or a similar loan repayment**
19 **program.**

20 (b) **The taxpayer must be a named borrower of the qualifying loan.**

21 (5)(a) **The Department of Human Services shall establish by rule eligibility guidelines for**
22 **the credit provided by this section.**

23 (b) **The Office of Rural Health shall establish by rule criteria for certifying individuals**
24 **eligible for the tax credit under this section and upon application shall certify taxpayers eli-**
25 **gible for the tax credit under this section.**

26 (6)(a) **A nonresident individual shall be allowed the credit computed under this section in**
27 **the same manner and subject to the same limitations as the credit allowed a resident by this**
28 **section. However, the credit shall be prorated using the proportion provided in ORS 316.117.**

29 (b) **If a change in the tax year of a taxpayer occurs as described in ORS 314.085, or if the**
30 **department terminates the taxpayer's taxable year under ORS 314.440, the credit allowed by**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **this section shall be prorated or computed in a manner consistent with ORS 314.085.**

2 **(c) If a change in the status of a taxpayer from resident to nonresident or from nonres-**
3 **ident to resident occurs, the credit allowed by this section shall be determined in a manner**
4 **consistent with ORS 316.117.**

5 **SECTION 3. Section 2 of this 2009 Act applies to payments on qualified loans made on**
6 **or after January 1, 2010, and for which a credit is claimed for tax years beginning on or after**
7 **January 1, 2010.**

8 **SECTION 4. This 2009 Act takes effect on the 91st day after the date on which the reg-**
9 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

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