

A-Engrossed
Senate Bill 325

Ordered by the Senate April 24
Including Senate Amendments dated April 24

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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.

Extends sunset for tax credit for practice of rural medicine. **Provides that, to be eligible for credit, individual must be engaged in rural practice of medicine for at least 20 hours per week, averaged over month, and must remain willing to serve certain percentage of Medicare and medical assistance patients. Limits eligibility to individuals with adjusted gross income of \$250,000 or less for single return, or \$500,000 or less for joint return.**

Applies to tax years beginning on or after January 1, 2014.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for practice of rural medicine; creating new provisions; amending ORS
3 315.613 and 315.616 and section 25, chapter 913, Oregon Laws 2009; and prescribing an effective
4 date.

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

6 **SECTION 1.** Section 25, chapter 913, Oregon Laws 2009, is amended to read:

7 **Sec. 25.** (1) Except as provided in subsection (2) of this section, a credit may not be claimed
8 under ORS 315.613 for tax years beginning on or after January 1, [2014] **2020**.

9 (2) A taxpayer who meets the eligibility requirements in ORS 315.613 for the tax year beginning
10 on or after January 1, [2013] **2019**, and before January 1, [2014] **2020**, shall be allowed the credit
11 under ORS 315.613 for any tax year:

12 (a) That begins on or before January 1, [2023] **2029**; and

13 (b) For which the taxpayer meets the eligibility requirements of ORS 315.613.

14 **SECTION 2.** ORS 315.613 is amended to read:

15 315.613. (1) A resident or nonresident individual certified as eligible under ORS 442.563, licensed
16 under ORS chapter 677, who is engaged in the practice of medicine, and who [*has a rural practice*
17 *that amounts to 60 percent of the individual's practice,*] **is engaged for at least 20 hours per week,**
18 **averaged over the month, during the tax year in a rural practice,** shall be allowed an annual
19 credit against taxes otherwise due under this chapter in the sum of \$5,000 during the time in which
20 the individual retains such practice and membership if the individual is actively practicing in and
21 is a member of the medical staff of one of the following hospitals:

22 (a) A type A hospital designated as such by the Office of Rural Health;

23 (b) A type B hospital designated as such by the Office of Rural Health if the hospital is:

24 (A) Not within the boundaries of a metropolitan statistical area;

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 (B) Located 30 or more highway miles from the closest hospital within the major population
2 center in a metropolitan statistical area; or

3 (C) Located in a county with a population of less than 75,000;

4 (c) A type C rural hospital, if the Office of Rural Health makes the findings required by ORS
5 315.619; or

6 (d) A rural critical access hospital.

7 **(2) In order to claim the credit allowed under this section, the individual must:**

8 **(a) Report adjusted gross income not greater than \$250,000 in the case of a taxpayer filing**
9 **an individual return or filing as head of household, or \$500,000, in the case of joint return**
10 **filers or a surviving spouse; and**

11 **(b) Remain willing during the tax year to serve patients with Medicare coverage and pa-**
12 **tients receiving medical assistance in at least the same proportion to the individual's total**
13 **number of patients as the Medicare and medical assistance populations represent of the total**
14 **number of persons determined by the Office of Rural Health to be in need of care in the**
15 **county served by the practice, not to exceed 20 percent Medicare patients or 15 percent**
16 **medical assistance patients.**

17 [(2)] (3) A nonresident **individual** shall be allowed the credit under this section in the proportion
18 provided in ORS 316.117. If a change in the status of a taxpayer from resident to nonresident or from
19 nonresident to resident occurs, the credit allowed by this section shall be determined in a manner
20 consistent with ORS 316.117.

21 [(3)] (4) For purposes of this section, an "individual's practice" shall be determined on the basis
22 of actual time spent in practice each week in hours or days, whichever is considered by the Office
23 of Rural Health to be more appropriate. In the case of a shareholder of a corporation or a member
24 of a partnership, only the time of the individual shareholder or partner shall be considered and the
25 full amount of the credit shall be allowed to each shareholder or partner who qualifies in an indi-
26 vidual capacity.

27 [(4)] (5) As used in this section:

28 (a) "Type A hospital," "type B hospital" and "type C hospital" have the meaning for those terms
29 provided in ORS 442.470.

30 (b) "Rural critical access hospital" means a facility that meets the criteria set forth in 42 U.S.C.
31 1395i-4 (c)(2)(B) and that has been designated a critical access hospital by the Office of Rural Health
32 and the Oregon Health Authority.

33 **SECTION 3.** ORS 315.616 is amended to read:

34 315.616. A resident or nonresident individual who is certified as eligible under ORS 442.561,
35 442.562, 442.563 or 442.564, and is licensed as a physician or podiatric physician and surgeon under
36 ORS chapter 677, licensed as a physician assistant under ORS chapter 677, licensed as a nurse
37 practitioner under ORS chapter 678, licensed as a certified registered nurse anesthetist under ORS
38 chapter 678, licensed as a dentist under ORS chapter 679 or licensed as an optometrist under ORS
39 683.010 to 683.340 is entitled to the tax credit described in ORS 315.613 even if not a member of the
40 hospital medical staff if the Office of Rural Health certifies that the individual:

41 [(1) *Has a rural practice that amounts to 60 percent of the individual's practice; and*]

42 **(1) Is engaged for at least 20 hours per week, averaged over the month, during the tax**
43 **year in a rural practice; and**

44 (2)(a) If a physician or a physician assistant, can cause a patient to be admitted to the hospital;

45 (b) If a certified registered nurse anesthetist, is employed by or has a contractual relationship

1 with one of the hospitals described in ORS 315.613 (1); or

2 (c) If an optometrist, has consulting privileges with a hospital listed in ORS 315.613 (1). This
3 paragraph does not apply to an optometrist who qualifies as a “frontier rural practitioner,” as de-
4 fined by the Office of Rural Health.

5 **SECTION 4. The amendments to ORS 315.613 and 315.616 by sections 2 and 3 of this 2013**
6 **Act apply to tax years beginning on or after January 1, 2014.**

7 **SECTION 5. This 2013 Act takes effect on the 91st day after the date on which the 2013**
8 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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