

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Senate Health Care

REVENUE: May have revenue impact, statement not yet issued**FISCAL: Minimal fiscal impact, no statement issued**

Action:**Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Zena Rockowitz, Administrator**Meeting Dates:** 2/18

WHAT THE MEASURE DOES: Extends sunset tax credits for rural medical care. Requires that credit cannot be claimed on or after January 1, 2022. Permits taxpayer who meets eligibility for the tax year beginning on or after January 1, 2021 and before January 1, 2022 be allowed tax credits for any year beginning on or before January 1, 2031.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:**

BACKGROUND: Oregon's rural practitioner tax credit was established in 1989 to encourage medical providers to serve rural Oregonians. The tax credit expires January 1, 2016. Eligible physicians, optometrists, nurses, physician assistants, and dentists receive a \$5,000 credit annually to maintain a rural practice. The program is open to residents and non-residents and those engaged for at least 20 hours per week. Applicants must pay a \$45 fee to the Office of Rural Health in order to participate. The Office of Rural Health (ORH) develops an assessment of need for rural areas to determine allocation of funds. Medical staff of hospitals qualify if hospitals are not within the boundaries of a metropolitan statistical area, the population of county is less than 75,000, or the hospital is located 30 or more miles from the closest hospital within the major population center. Individuals must be willing to serve patients with Medicare coverage and on medical assistance in at least the same proportion as the total number of persons determined by the ORH to be in need of care in the county. Approximately 1,800 providers use the credit each year. The 2013-15 Legislative budget for the credits was \$16.9 million. A 2012 survey of tax recipients by the Oregon Rural Health Association found that roughly 45 percent of respondents indicated that the tax credit was very important in their decision to practice medicine in rural Oregon. The remaining 33 percent said that it was important, and 15 percent said they did not consider the tax credit in their decision.