

House Committee On Veterans and Emergency Preparedness

Fiscal: No Fiscal Impact

Revenue: Revenue impact issued

Action Date: 02/24/15

Action: Do Pass And Be Referred To Tax Credits By Prior Reference

Meeting Dates: 02/10, 02/24

House

Yeas: 6 - Boone, Evans, Piluso, Lively, Parrish, Huffman

Exc: 1 - Esquivel

Prepared By: Bryan Guiney, Committee Administrator

WHAT THE MEASURE DOES:

Extends tax credit for physicians at Oregon Veterans' Home until 2022.

ISSUES DISCUSSED:

- Number of physicians needed and added as a result of the tax credit
- Between tax years 2008 and 2012 an average of roughly 10 taxpayers claimed the credit each year
- Approximately \$20,000 was claimed in credits each year

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

In 1995 the Legislature authorized the creation of two long-term care facilities for Oregon veterans. The first one opened in The Dalles in 1997. It has the capacity to care for up to 151 residents who require long-term skilled nursing care, Alzheimer's and dementia-related care, or inpatient/outpatient rehabilitative care. It applies to veterans, their spouses, and parents who have lost a child to war-time service. A second home opened in Lebanon in 2014 that can house up to 154 residents. Legislation in 2011 enabled a third to be built in Roseburg.

The tax credit (House Bill 3201 (2007)) was intended to increase the number of health care professionals providing long-term care to Oregon veterans, thereby increasing the number of veterans receiving such care. The credit effectively increases take home pay for physicians providing qualifying care. This may entice some physicians to provide services who otherwise would not. Physicians who provide medical care to residents of an Oregon Veterans' Home are allowed a credit against personal income taxes of \$1,000 for every eight residents to whom the physician provides care, up to \$5,000. To qualify for the credit, a physician cannot miss more than five percent of scheduled visits with residents as verified by a letter from the Oregon Veterans' Home. The letter must be submitted with the corresponding tax return. A qualifying taxpayer may claim both this credit and the rural medical practitioner tax credit. (2016 Expiring Tax Credits Research Report #2-15, Legislative Revenue Office, February 2015.)

House Bill 2108 extends the Oregon Veterans' Home tax credit as an incentive to health-care professionals to provide long-term care to Oregon veterans.