

STAFF MEASURE SUMMARY

House Committee On Health Care

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date: 04/20/15

Action: Without Recommendation As To Passage, With Amendments, Be Printed
Engrossed And Be Referred To Revenue By Prior Reference.

Meeting Dates: 03/30, 04/20

Vote:

Yeas: 9 - Buehler, Clem, Greenlick, Hayden, Kennemer, Keny-Guyer, Lively, Nosse, Weidner

Prepared By: Sandy Thiele-Cirka, Committee Administrator

WHAT THE MEASURE DOES:

Amends tax credit for rural health care providers to include nonrural medically “underserved community.” Establishes criteria for providers to receive the tax credit. Authorizes the Office of Rural Health to designate medically underserved areas. Applies to tax years beginning on or after January 1, 2016. Effective date is 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Background on the Rural Practitioners Tax Credit program
- Provisions of the bill
- Need for better data to determine program’s effectiveness
- Proposed amendment

EFFECT OF COMMITTEE AMENDMENT:

Defines underserved community. Specifies and simplifies criteria for program participation.

BACKGROUND:

Certain medical providers are allowed a non-refundable tax credit of up to \$5,000 against their personal income taxes. (The total credit amount can reach \$10,000 if both taxpayers on a joint return qualify.) Eligible providers include physicians, physician assistants, nurse practitioners, certified registered nurse anesthetists, podiatrists, dentists and optometrists. The requirements for eligibility vary by type of provider. To receive the credit the provider must work a minimum of 20 hours per week, averaged over the month, in a qualifying rural area. They must also be willing to serve a Medicare and medical assistance base equal to their county’s population of such patients up to 20 percent for Medicare and 15 percent for medical assistance patients. For this program, rural is defined as any area at least ten miles from a major population center of 40,000 or more. Currently, there are six such population centers: the Portland Metropolitan Statistical Area (MSA), Salem, Eugene/Springfield, Medford, Bend, and Corvallis/Albany. In addition, physicians on staff at a hospital in an MSA are not eligible, with the exception of Florence in Lane County and Dallas in Polk County.