

HB 2452 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 5/4, 5/12, 5/17

WHAT THE MEASURE DOES:

Extends sunset for Oregon Veterans' Home physician tax credit from January 1, 2022 to January 1, 2028.

ISSUES DISCUSSED:

- Policy justification for specifically rewarding physicians that provide care in a Veterans' Home as compared with other locations of care for non-veterans
- Rural medical providers tax credit, ability of physicians to qualify for both credits
- Cost to physician to travel to Veterans' Home to see patients, especially in terms of lost time to see other patients not at the Veterans' Home
- Compensation received by physicians providing care to residents of Veterans' Home (e.g. - reimbursement payments).

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Physicians who provide medical care to residents of an Oregon Veterans' Home are allowed a credit against personal income taxes. The credit is \$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.

In recent years, the tax credit has reduced General Fund revenue by between \$10,000 and \$30,000 per year. Since the opening of Oregon's second Veterans' Home in 2014, about 15 taxpayers per year have claimed the credit with an average benefit of about \$1,800 per taxpayer per year.