

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 493

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Adds registered nurse who is nursing faculty member to types of providers who are eligible for income tax credit allowed to rural medical providers.

Government Unit(s) Affected:

Office of Rural Health, Oregon Health and Science University, Department of Revenue

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

Senate Bill 493 adds registered nurses who are nursing faculty members at an academic institution or in a clinical setting to the list of health providers who are eligible to claim the rural health provider income tax credit. The measure applies to tax years beginning on or after January 1, 2024 and takes effect 91 days after adjournment *sine die*.

Under current law, certain rural medical providers are allowed a non-refundable tax credit of either \$3,000, \$4,000 or \$5,000 against their personal income taxes, depending on the medical provider's distance from a community with a population of 40,000 or more. The tax credit is also limited to providers with an adjusted gross income up to \$300,000. Eligible providers include physicians, dentists, podiatrists, optometrists, physician assistants, nurse practitioners, and certified registered nurse anesthetists.

Office of Rural Health and Oregon Health and Science University

The Office of Rural Health (ORH), which has partnered with Oregon Health and Science University (OHSU) to increase access to rural and frontier health in Oregon, administers and processes application claims for the rural medical provider tax credit certification. Claimants pay ORH a \$45 annual certification fee, or \$90 for eligible taxpayers filing their return jointly, which generates approximately \$175,000 for ORH's biennial budget, according to the Legislative Revenue Office.

ORH generally receives more than 1,800 applications for the tax credit each year; and between 2017 and 2019, nurse practitioners who claimed the tax credit increased from 24 to 31 percent of the claims by eligible providers, whereas nurse anesthetists who claimed the tax credit during that same period increased from 3 to 4 percent. The fiscal impact to ORH will ultimately depend on the level of interest in the tax credit among registered nurses who are nursing faculty members, and how many of them will qualify for the tax credit. While the exact number is unknown, this fiscal impact statement assumes that the increase in certification claims among nurse faculty would be relatively modest, since nursing faculty members probably constitute only a small fraction of eligible registered nurses in the state. For that reason, the anticipated fiscal impact to ORH and OHSU is anticipated to be minimal.

Department of Revenue

The measure is anticipated to have a minimal fiscal impact on the Department of Revenue.