

HB 2602 -1 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 2/7, 3/27

WHAT THE MEASURE DOES:

Adds nursing assistant or nurse to types of providers who are eligible for income tax credit allowed to rural medical providers. Establishes amount of tax credit based on licensure. Provides for refundability of credit allowed to nursing assistant or nurse. Applies to tax years beginning on or after January 1, 2024. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Challenges in recruiting and retaining nurses
- Equity implications of proposed expansion to tax credit eligibility

EFFECT OF AMENDMENT:

-1 Adds new eligibility criteria for nurse or nursing assistant working at least 20 hours per week at hospital fewer than 40 miles from principal residence. Amends tax credit amount for nurse or nursing assistant to \$500.

FISCAL: Has minimal fiscal impact

REVENUE: Revenue impact issued

BACKGROUND:

Many medical practitioners who provide care in rural parts of the state are eligible for a tax credit based on the distance from a major population center their practice is based. In addition to being based in a rural area, the practitioner must remain willing to serve Medicare and Medicaid beneficiaries. The credit is available to practitioners licensed as certified registered nurse anesthetists, dentists, doctors of medicine, doctors of osteopathic medicine, nurse practitioners, optometrists, physician assistants, and podiatrists.

House Bill 2602 would add nursing assistant or nurses to types of providers eligible for rural medical provider income tax credit.