

# House Bill 2390

Sponsored by Representative LEVY B; Representatives ELMER, SCHARF, SMITH G, WRIGHT, Senators NASH, WEBER (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest:** The Act raises the amount of the tax credit that rural medical providers can get. The Act also says that the provider can get the tax credit no matter how much money they make. (Flesch Readability Score: 70.1).

Increases the amount of income tax credit allowed to rural medical providers. Removes the eligibility limitation based on the adjusted gross income of the medical provider.

Applies to tax years beginning on or after January 1, 2025.  
Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax credits for rural medical providers; creating new provisions; amending ORS 315.613  
3 and 315.616; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 315.613 is amended to read:

6 315.613. (1) An annual credit against the taxes otherwise due under ORS chapter 316 shall be  
7 allowed to a resident or nonresident individual who is:

8 (a) Certified as eligible under ORS 442.563;

9 (b) Licensed under ORS chapter 677; **and**

10 (c) Engaged in the practice of medicine, and engaged for at least 20 hours per week, averaged  
11 over the month, during the tax year in a rural practice.]; *and*]

12 [*(d) Has adjusted gross income not in excess of \$300,000 for the tax year. The limitation in this*  
13 *paragraph does not apply to a physician who practices as a general surgeon, specializes in obstetrics,*  
14 *specializes in family or general practice and provides obstetrical services or practices emergency med-*  
15 *icine in a county that is a frontier rural practice county under rules adopted by the Office of Rural*  
16 *Health.*]

17 (2) The amount of credit allowed shall be based on the distance from a major population center  
18 in a qualified metropolitan statistical area at which the taxpayer maintains a practice or hospital  
19 membership:

20 (a) If at least 10 miles but fewer than 20 miles, [*\$3,000*] **\$6,000**.

21 (b) If at least 20 miles but fewer than 50 miles, [*\$4,000*] **\$8,000**.

22 (c) If 50 or more miles, [*\$5,000*] **\$10,000**.

23 (3) The credit shall be allowed during the time in which the individual retains such practice and  
24 membership if the individual is actively practicing in and is a member of the medical staff of one  
25 of the following hospitals:

26 (a) A type A hospital designated as such by the Office of Rural Health;

27 (b) A type B hospital designated as such by the Office of Rural Health if the hospital is:

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (A) Not within the boundaries of a metropolitan statistical area;

2 (B) Located 30 or more miles from the closest hospital within the major population center in a  
3 metropolitan statistical area; or

4 (C) Located in a county with a population of less than 75,000;

5 (c) A type C rural hospital, if the Office of Rural Health makes the findings required by ORS  
6 315.619;

7 (d) A rural critical access hospital; or

8 (e) A hospital:

9 (A) Classified by the Centers for Medicare and Medicaid Services as a rural referral center in  
10 accordance with 42 U.S.C. 1395ww(d)(5)(C)(i); and

11 (B) Classified by the Centers for Medicare and Medicaid Services as a sole community hospital  
12 in accordance with 42 U.S.C. 1395ww(d)(5)(D)(iii).

13 (4) In order to claim the credit allowed under this section, the individual must remain willing  
14 during the tax year to serve patients with Medicare coverage and patients receiving medical as-  
15 sistance in at least the same proportion to the individual's total number of patients as the Medicare  
16 and medical assistance populations represent of the total number of persons determined by the Of-  
17 fice of Rural Health to be in need of care in the county served by the practice, not to exceed 20  
18 percent Medicare patients or 15 percent medical assistance patients.

19 (5) A nonresident individual shall be allowed the credit under this section in the proportion  
20 provided in ORS 316.117. If a change in the status of a taxpayer from resident to nonresident or from  
21 nonresident to resident occurs, the credit allowed by this section shall be determined in a manner  
22 consistent with ORS 316.117.

23 (6) For purposes of this section, an "individual's practice" shall be determined on the basis of  
24 actual time spent in practice each week in hours or days, whichever is considered by the Office of  
25 Rural Health to be more appropriate. In the case of a shareholder of a corporation or a member of  
26 a partnership, only the time of the individual shareholder or partner shall be considered and the full  
27 amount of the credit shall be allowed to each shareholder or partner who qualifies in an individual  
28 capacity.

29 (7) As used in this section:

30 (a) "Qualified metropolitan statistical area" means only those counties of a metropolitan statis-  
31 tical area that are located in Oregon if the largest city within the metropolitan statistical area is  
32 located in Oregon.

33 (b) "Rural critical access hospital" means a facility that meets the criteria set forth in 42 U.S.C.  
34 1395i-4 (c)(2)(B) and that has been designated a critical access hospital by the Office of Rural Health  
35 and the Oregon Health Authority.

36 (c) "Type A hospital," "type B hospital" and "type C hospital" have the meaning for those terms  
37 provided in ORS 442.470.

38 **SECTION 2.** ORS 315.616, as amended by section 47a, chapter 73, Oregon Laws 2024, is  
39 amended to read:

40 315.616. A resident or nonresident individual who is certified as eligible under ORS 442.561,  
41 442.562, 442.563 or 442.564, and is licensed as a physician under ORS chapter 677, licensed as a  
42 physician associate under ORS 677.505 to 677.525, licensed as a nurse practitioner under ORS  
43 678.375 to 678.390, licensed as a certified registered nurse anesthetist as defined in ORS 678.010, li-  
44 censed as a dentist under ORS chapter 679 or licensed as an optometrist under ORS 683.010 to  
45 683.340 is entitled to the tax credit described in ORS 315.613 even if not a member of the hospital

1 medical staff if the Office of Rural Health certifies that the individual:

2 (1) Is engaged for at least 20 hours per week, averaged over the month, during the tax year in  
3 a rural practice; and

4 (2)(a) If a physician or a physician associate, can cause a patient to be admitted to the hospital;

5 (b) If a certified registered nurse anesthetist, is employed by or has a contractual relationship  
6 with one of the hospitals described in ORS 315.613 [(1)] (3); or

7 (c) If an optometrist, has consulting privileges with a hospital listed in ORS 315.613 [(1)] (3).

8 This paragraph does not apply to an optometrist who qualifies as a “frontier rural practitioner,” as  
9 defined by the Office of Rural Health.

10 **SECTION 3. The amendments to ORS 315.613 by section 1 of this 2025 Act apply to tax**  
11 **years beginning on or after January 1, 2025.**

12 **SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
13 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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