

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number: SB 143
Revenue Area: Personal Income Taxes
Economist: Kyle Easton
Date: 3/26/2021

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Extends sunset, from January 1, 2022 to January 1, 2028, of tax credit available to certain medical providers practicing in rural areas. For taxpayers meeting credit eligibility requirements in tax year 2027, extends sunset from January 1, 2031 to January 1, 2037.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2021-22	2022-23	2021-23	2023-25	2025-27
General Fund		-\$1.2	-\$1.2	-\$4.4	-\$6.1

Impact Explanation:

Certain medical providers are allowed a non-refundable tax credit equal to \$3,000, \$4,000 or \$5,000 against their personal income taxes. The value of the tax credit depends on a medical provider's distance from a community with a population of 40,000 or more. Eligible providers include physicians, dentists, podiatrists, optometrists, physician assistants, nurse practitioners and certified registered nurse anesthetists.

As existing qualified taxpayers are allowed to continue claiming the credit in years following initial sunset, the revenue impact resulting from sunset extension grows in subsequent biennia. This reflects the initial sunset of the credit only affecting rural medical providers that would otherwise newly qualify for the credit. Those taxpayers continuing to qualify for the credit are subject to the later credit sunset date, or the existing individual ten-year lifetime limit of the credit. The revenue estimate is based on an analysis of taxpayers newly qualified for the credit contrasted with those taxpayers continuing to claim the credit and possibly subject to the ten-year lifetime limit.

Further Analysis Required

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this credit is to support the recruitment and retention of certain medical professionals in rural areas, thereby improving access in rural areas to such health care providers.