

House Bill 2352

Sponsored by Representative BONHAM (Presession 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**.

Removes eligibility limitation on adjusted gross income of individual providing rural medical care applicable to tax credit for rural medical care.

Applies to tax years beginning on or after January 1, 2022.

Extends sunset for credit.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a tax credit for rural medical care; creating new provisions; amending ORS 315.613 and
3 section 25, chapter 913, Oregon Laws 2009; 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 *or specializes in family or general practice and provides obstetrical services.]*

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

18 (a) If at least 10 miles but fewer than 20 miles, \$3,000.

19 (b) If at least 20 miles but fewer than 50 miles, \$4,000.

20 (c) If 50 or more miles, \$5,000.

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

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

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

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

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

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

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

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.

1 315.619;

2 (d) A rural critical access hospital; or

3 (e) A hospital:

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

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

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

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

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

24 (7) As used in this section:

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

28 (b) "Rural critical access hospital" means a facility that meets the criteria set forth in 42 U.S.C.
29 1395i-4 (c)(2)(B) and that has been designated a critical access hospital by the Office of Rural Health
30 and the Oregon Health Authority.

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

33 **SECTION 2.** Section 25, chapter 913, Oregon Laws 2009, as amended by section 10, chapter 750,
34 Oregon Laws 2013, section 18, chapter 701, Oregon Laws 2015, section 7, chapter 829, Oregon Laws
35 2015, and section 13, chapter 610, Oregon Laws 2017, is amended to read:

36 **Sec. 25.** (1) Except as provided in subsection (2) of this section, a credit may not be claimed
37 under ORS 315.613 for tax years beginning on or after January 1, [2022] **2028**.

38 (2) A taxpayer who meets the eligibility requirements in ORS 315.613 for the tax year beginning
39 on or after January 1, [2021] **2027**, and before January 1, [2022] **2028**, shall be allowed the credit
40 under ORS 315.613 for any tax year:

41 (a) That begins on or before January 1, [2031] **2037**; and

42 (b) For which the taxpayer meets the eligibility requirements of ORS 315.613.

43 (3) Notwithstanding subsection (2) of this section, a taxpayer may not during the taxpayer's
44 lifetime claim the credit allowed under this section for more than a total of 10 tax years that begin
45 on or after January 1, 2018.

1 **SECTION 3.** The amendments to ORS 315.513 by section 1 of this 2021 Act apply to tax
2 years beginning on or after January 1, 2022.

3 **SECTION 4.** This 2021 Act takes effect on the 91st day after the date on which the 2021
4 regular session of the Eighty-first Legislative Assembly adjourns sine die.

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