

HB 2723 -1, -2 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, 3/28

WHAT THE MEASURE DOES:

Modifies conditions of eligibility for rural medical provider tax credit, including removing income limitation, restrictions on types of hospitals, and tiered amounts of allowable credit based on distance from major population center. Defines "rural community." Applies to tax years beginning on or after January 1, 2024. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Equity impacts of current tiered structure of tax credit

EFFECT OF AMENDMENT:

-1 Increases amount of credit to \$6,000. Removes eligibility based on certification of optometrist with hospital consulting privileges.

FISCAL: Has minimal fiscal impact

REVENUE: Revenue impact issued

-2 Removes eligibility based on certification of optometrist with hospital consulting privileges.

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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 2723 would modify the eligibility for the rural medical provider tax credit by replacing tiered amount of credit based on practice distance and removing income limitation.