

House Bill 2365

Sponsored by Representative LEVY B; Representatives OSBORNE, RESCHKE, 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 lets more health care providers get the rural provider income tax credit. (Flesch Readability Score: 65.7).

Adds mental health professionals, naturopathic physicians, pharmacists, medical laboratory scientists and medical laboratory technicians to the types of providers eligible for the tax credit allowed to rural medical care providers. Removes the requirement of hospital consulting privileges applicable to an optometrist claiming the credit. Applies to tax years beginning on or after January 1, 2026.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to rural medical provider tax credits; creating new provisions; amending ORS 315.616 and
3 315.619; and prescribing an effective date.

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

5 **SECTION 1.** ORS 315.616, as amended by section 47a, chapter 73, Oregon Laws 2024, is
6 amended to read:

7 315.616. [A *resident or nonresident individual who is certified as eligible under ORS 442.561,*
8 *442.562, 442.563 or 442.564, and is licensed as a physician under ORS chapter 677, licensed as a phy-*
9 *sician associate under ORS 677.505 to 677.525, licensed as a nurse practitioner under ORS 678.375 to*
10 *678.390, licensed as a certified registered nurse anesthetist as defined in ORS 678.010, licensed as a*
11 *dentist under ORS chapter 679 or licensed as an optometrist under ORS 683.010 to 683.340 is entitled*
12 *to the tax credit described in ORS 315.613 even if not a member of the hospital medical staff if the*
13 *Office of Rural Health certifies that the individual:]*

14 [(1) *Is engaged for at least 20 hours per week, averaged over the month, during the tax year in a*
15 *rural practice; and]*

16 [(2)(a) *If a physician or a physician associate, can cause a patient to be admitted to the hospital;]*

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

19 [(c) *If an optometrist, has consulting privileges with a hospital listed in ORS 315.613 (1). This*
20 *paragraph does not apply to an optometrist who qualifies as a "frontier rural practitioner," as defined*
21 *by the Office of Rural Health.]*

22 **A resident or nonresident individual who is certified as eligible under ORS 442.561,**
23 **442.562, 442.563 or 442.564 or section 3 of this 2025 Act is entitled to the tax credit described**
24 **in ORS 315.613, regardless of whether the individual is a member of the hospital medical**
25 **staff, if:**

26 **(1) The individual is:**

27 **(a) A physician licensed under ORS chapter 677;**

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 (b) A physician associate licensed under ORS 677.505 to 677.525;
- 2 (c) A nurse practitioner licensed under ORS 678.375 to 678.390;
- 3 (d) A certified registered nurse anesthetist licensed under ORS 678.279;
- 4 (e) A dentist licensed under ORS chapter 679;
- 5 (f) An optometrist licensed under ORS 683.010 to 683.340;
- 6 (g) A naturopathic physician licensed under ORS chapter 685;
- 7 (h) A pharmacist licensed under ORS chapter 689;
- 8 (i) A psychologist licensed under ORS 675.010 to 675.150;
- 9 (j) A clinical social worker licensed under ORS 675.530;
- 10 (k) A licensed professional counselor licensed under ORS 675.715;
- 11 (L) A marriage and family therapist licensed under ORS 675.715; or
- 12 (m) A medical laboratory scientist or medical laboratory technician certified by the
- 13 American Society for Clinical Pathology, or its successor organization; and

14 (2) The Office of Rural Health certifies that the individual is engaged for at least 20 hours

15 per week, averaged over the month, during the tax year in a rural practice and:

- 16 (a) If a physician or physician associate, can cause a patient to be admitted to the hos-
- 17 pital; or
- 18 (b) If a certified registered nurse anesthetist, is employed by or has a contractual re-
- 19 lationship with one of the hospitals described in ORS 315.613 (3).

20 **SECTION 2.** The amendments to ORS 315.616 by section 1 of this 2025 Act apply to tax

21 years beginning on or after January 1, 2026.

22 **SECTION 3.** (1) The Office of Rural Health shall establish criteria for certifying the fol-

23 lowing individuals as eligible for the tax credit authorized by ORS 315.616:

- 24 (a) Naturopathic physicians licensed under ORS chapter 685;
- 25 (b) Pharmacists licensed under ORS chapter 689;
- 26 (c) Psychologists licensed under ORS 675.010 to 675.150;
- 27 (d) Clinical social workers licensed under ORS 675.530;
- 28 (e) Licensed professional counselors licensed under ORS 675.715;
- 29 (f) Marriage and family therapists licensed under ORS 675.715; and
- 30 (g) Medical laboratory scientists and medical laboratory technicians certified by the
- 31 American Society for Clinical Pathology, or its successor organization.

32 (2) The office shall certify an individual described in subsection (1) of this section as eli-

33 gible for the tax credit authorized by ORS 315.616 if, after receiving the individual's applica-

34 tion for the credit, the office finds that the individual:

- 35 (a) Is or will be providing, to one or more rural communities, the services the individual's
- 36 license or certification authorizes the individual to provide; and
- 37 (b) Otherwise meets the eligibility criteria established by the office.

38 **SECTION 4.** ORS 315.619 is amended to read:

39 315.619. A member of the medical staff of a type C hospital who meets the requirements of ORS

40 315.616 [(1) and] (2)(a) is entitled to the tax credit described in ORS 315.613 if:

41 (1) The hospital is isolated due to geographic conditions, complies with rules relating to emer-

42 gency response and is subject to such other special factors as the Office of Rural Health may pre-

43 scribe; and

44 (2) The hospital is designated by the Office of Rural Health as being subject to particular

45 problems in recruiting and retaining medical staff and is located in an area that is medically

1 underserved.

2 **SECTION 5. This 2025 Act takes effect on the 91st day after the date on which the 2025**
3 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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