

House Bill 3430

Sponsored by Representative HUDSON

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 makes a new tax credit for independent physicians. (Flesch Readability Score: 61.3).

Establishes an income tax credit for independent physicians.

Applies to tax years beginning on or after January 1, 2026, and before January 1, 2032.

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

A BILL FOR AN ACT

1 Relating to an income tax credit for independent physicians; and prescribing an effective date.

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

3 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 315.**

4 **SECTION 2. (1) As used in this section, "independent physician" means a person who:**

5 **(a) Holds a degree of Doctor of Medicine or Doctor of Osteopathic Medicine; and**

6 **(b) Owns all or part of an entity licensed to practice medicine in Oregon that is not:**

7 **(A) A hospital; or**

8 **(B) Owned by any fraction less than its entirety by individuals with degrees of Doctor**
9 **of Medicine or Doctor of Osteopathic Medicine.**

10 **(2) A resident or nonresident individual shall be allowed a credit against taxes that are**
11 **otherwise due under ORS chapter 316 if during the tax year the individual is:**

12 **(a) Certified as eligible under section 3 of this 2025 Act;**

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

14 **(c) Engaged in the practice of medicine, and engaged for at least 20 hours per week, av-**
15 **eraged over the month, during the tax year as an independent physician.**

16 **(3) The amount of the credit allowed under this section shall be \$5,000.**

17 **(4) In order to claim the credit allowed under this section, the individual must remain**
18 **willing during the tax year to serve patients with Medicare coverage and patients receiving**
19 **medical assistance in at least the same proportion to the individual's total number of pa-**
20 **tients as the Medicare and medical assistance populations represent of the total number of**
21 **persons determined by the Oregon Health Authority to be in need of care in the county**
22 **served by the practice, not to exceed 20 percent Medicare patients or 15 percent medical**
23 **assistance patients.**

24 **(5) For purposes of this section, an "individual's practice" shall be determined on the**
25 **basis of actual time spent in practice each week in hours or days, whichever is considered**
26 **by the Oregon Health Authority to be more appropriate. In the case of a shareholder of a**
27 **corporation or a member of a partnership, only the time of the individual shareholder or**
28 **partner shall be considered and the full amount of the credit shall be allowed to each**
29

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 shareholder or partner who qualifies in an individual capacity.

2 (6) The credit allowed under this section may not exceed the tax liability of the taxpayer
3 and may not be carried forward to another tax year.

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

8 SECTION 3. The Office of Rural Health shall establish criteria for certifying individuals
9 eligible for the tax credit authorized by section 2 of this 2025 Act. Upon application therefor,
10 the office shall certify individuals eligible for the tax credit authorized by section 2 of this
11 2025 Act.

12 SECTION 4. Sections 2 and 3 of this 2025 Act apply to tax years beginning on or after
13 January 1, 2026, and before January 1, 2032.

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