

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 2089

By: McCall and O'Donnell

4
5
6 AS INTRODUCED

7 An Act relating to income tax; providing credit for
8 income from compensation related to certain practice
9 of medicine or osteopathic medicine; defining terms;
10 providing for amount of credit; providing limitations
11 on use of credit; specifying time period during which
12 credit is allowed; requiring Oklahoma Tax Commission
13 to calculate and publish certain estimate; providing
14 for suspension of credit under certain circumstances;
15 providing for codification; and providing an
16 effective date.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2357.410 of Title 68, unless
20 there is created a duplication in numbering, reads as follows:

21 A. Except as provided in subsection F of this section, for
22 taxable years beginning after December 31, 2021, there shall be
23 allowed a credit against the tax imposed pursuant to Section 2355 of
24 Title 68 of the Oklahoma Statutes on taxable income from
compensation directly related to the practice of medicine or
osteopathic medicine by a qualifying doctor in a rural area of the
state.

1 B. For purposes of this section:

2 1. "Qualifying doctor" means a medical doctor or osteopathic
3 physician:

4 a. who is licensed in this state by the State Board of
5 Medical Licensure and Supervision or the State Board
6 of Osteopathic Examiners either on or after the
7 effective date of this act or at any time within the
8 period two (2) years prior to the effective date of
9 this act, but not earlier than January 1, 2020,

10 b. who has graduated from a college of medicine or
11 osteopathic medicine located in this state or has
12 completed his or her residency in this state, and

13 c. whose primary residence is located within the same
14 county as the rural area where the compensation
15 qualifying for credit under this paragraph was earned
16 or whose primary residence is located within the
17 jurisdiction of a federally recognized tribe and is
18 directly employed by a tribally owned or operated
19 health facility or federal Indian Health Service
20 facility. For purposes of this subparagraph, the
21 qualifying doctor must maintain the primary residence
22 either within the county or within the jurisdiction of
23 the federally recognized tribe for the entire taxable
24

1 year for which the credit otherwise authorized by this
2 section is claimed; and

3 2. "Rural area" means any municipality or unincorporated
4 location in Oklahoma which:

5 a. has a population not exceeding twenty-five thousand
6 (25,000) as determined by the most recent Federal
7 Decennial Census, and

8 b. is at least twenty-five (25) miles from the boundary
9 of the nearest municipality in Oklahoma with a
10 population exceeding twenty-five thousand (25,000) as
11 determined by the most recent Federal Decennial
12 Census.

13 C. The amount of the credit provided by this section claimed by
14 a taxpayer in any tax year shall not exceed Twenty-five Thousand
15 Dollars (\$25,000.00).

16 D. The credit authorized by this section shall not be used to
17 reduce the tax liability of the taxpayer to less than zero.

18 E. Except as provided in subsection F of this section, a
19 qualifying doctor who first claims the credit provided by this
20 section shall be allowed the credit for up to four (4) subsequent
21 taxable years so long as he or she qualifies pursuant to subsection
22 B of this section.

1 F. 1. Annually the Oklahoma Tax Commission shall calculate and
2 publish an estimate of the cumulative total credits claimed due to
3 the provisions of this section.

4 2. The credit provided by this paragraph shall not be allowed
5 for any taxable year following a year when the Oklahoma Tax
6 Commission calculates an estimate under the provisions of paragraph
7 1 of this subsection in excess of One Million Dollars
8 (\$1,000,000.00).

9 SECTION 2. This act shall become effective January 1, 2022.

10
11 58-1-7212 MAH 01/19/21
12
13
14
15
16
17
18
19
20
21
22
23
24