

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 HOUSE BILL 3823

By: McCall

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.

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

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

18 A. Except as provided in subsection F of this section, for  
19 taxable years beginning after December 31, 2020, there shall be  
20 allowed a credit against the tax imposed pursuant to Section 2355 of  
21 Title 68 of the Oklahoma Statutes on taxable income from  
22 compensation directly related to the practice of medicine or  
23 osteopathic medicine by a qualifying doctor in a rural area of the  
24 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,

7 b. who has graduated from a college of medicine or  
8 osteopathic medicine located in this state or has  
9 completed his or her residency in this state, and

10 c. whose primary residence is located within the same  
11 county as the rural area where the compensation  
12 qualifying for credit under this paragraph was earned  
13 or whose primary residence is located within the  
14 jurisdiction of a federally recognized tribe and is  
15 directly employed by a tribally owned or operated  
16 health facility or federal Indian Health Service  
17 facility; and

18 2. "Rural area" means any municipality or unincorporated  
19 location in Oklahoma which:

20 a. has a population not exceeding twenty-five thousand  
21 (25,000) as determined by the most recent Federal  
22 Decennial Census, and

23 b. is at least twenty-five (25) miles from the boundary  
24 of the nearest municipality in Oklahoma with a

1                   population exceeding twenty-five thousand (25,000) as  
2                   determined by the most recent Federal Decennial  
3                   Census.

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

7           D.   The credit authorized by this section shall not be used to  
8   reduce the tax liability of the taxpayer to less than zero (0).

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

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

17          2.   The credit provided by this paragraph shall not be allowed  
18   for any taxable year following a year when the Oklahoma Tax  
19   Commission calculates an estimate under the provisions of paragraph  
20   1 of this subsection in excess of One Million Dollars  
21   (\$1,000,000.00).

22          SECTION 2.   This act shall become effective January 1, 2021.

23  
24          57-2-9319           MAH           01/12/20