

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 3823
Version:	INT
Request Number:	9319
Author:	Mr. Speaker
Date:	2/25/2020
Impact:	Tax Commission:

Revenue Decrease
FY-21: (\$4,400,000)
FY-22: (\$11,000,000)

Research Analysis

HB3823, as introduced, provides a \$25,000 per year, claimable for up to five years, income tax credit for medical and osteopathic doctors that practice medicine in rural and tribal areas of the state beginning in tax year 2021. A *rural area* is defined as any municipality that has a population of less than 25,000 and is at least 25 miles from the nearest municipality with a population greater than 25,000. To qualify, a doctor must be licensed in Oklahoma, graduate from an Oklahoma-based college of medicine or complete his or her residency in the state, and reside in the rural or tribal area that the he or she practices medicine.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

Revenue Impact:

The impact for tax year 2021 is an estimated decrease in income tax collections of \$11 million. The impact for tax year 2022¹² would also be \$11 million (assuming no additional doctors qualify for the credit). For tax years 2023 and 2024, no credits will be allowed due to the \$1 million cap.

Changes to withholding or estimated tax payments as a result of this credit are expected; therefore some impact would occur in FY21. A projected decrease in income tax collections of \$4.4 million should occur in FY21. For FY22 the estimated decrease in income tax collections would be \$11 million.

Prepared By: Mark Tygret

Other Considerations

None.

