

1 ENGROSSED HOUSE
2 BILL NO. 2645

By: Hilbert of the House

3 and

4 Paxton of the Senate

5
6 [revenue - taxation - medicine - terms - credit -
7 limitations - time period - Oklahoma Tax Commission
8 - estimate - circumstances - codification -
9 effective date]
10
11

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

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

16 A. Except as provided in subsection F of this section, for
17 taxable years beginning after December 31, 2025, there shall be
18 allowed a credit against the tax imposed pursuant to Section 2355 of
19 Title 68 of the Oklahoma Statutes on taxable income from
20 compensation directly related to the practice of medicine or
21 osteopathic medicine by a qualifying doctor in a rural area of the
22 state.

23 B. For purposes of this section:
24

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

3 a. who is licensed in this state by the State Board of
4 Medical Licensure and Supervision or the State Board
5 of Osteopathic Examiners either on or after the
6 effective date of this act or at any time within the
7 period two (2) years prior to the effective date of
8 this act, but not earlier than January 1, 2024,

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

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

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

3 a. has a population not exceeding twenty-five thousand
4 (25,000) as determined by the most recent Federal
5 Decennial Census, and

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

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

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

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

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

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

SECTION 2. This act shall become effective January 1, 2026.

Passed the House of Representatives the 25th day of March, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the _____ day of _____, 2025.

Presiding Officer of the Senate