

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2645

By: Hilbert of the House

and

Paxton of the Senate

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10 COMMITTEE SUBSTITUTE

11 [revenue - taxation - medicine - terms - credit -
12 limitations - time period - Oklahoma Tax Commission
13 - estimate - circumstances - codification -
14 effective date]

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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, 2025, 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

1 compensation directly related to the practice of medicine or
2 osteopathic medicine by a qualifying doctor in a rural area of the
3 state.

4 B. For purposes of this section:

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

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

13 b. who has graduated from a college of medicine or
14 osteopathic medicine located in this state or has
15 completed his or her residency in this state, and

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

1 either within the county or within the jurisdiction of
2 the federally recognized tribe for the entire taxable
3 year for which the credit otherwise authorized by this
4 section is claimed; and

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

7 a. has a population not exceeding twenty-five thousand
8 (25,000) as determined by the most recent Federal
9 Decennial Census, and

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

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

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

20 E. Except as provided in subsection F of this section, a
21 qualifying doctor who first claims the credit provided by this
22 section shall be allowed the credit for up to four (4) subsequent
23 taxable years so long as he or she qualifies pursuant to subsection
24 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 section shall not be allowed for
5 any taxable year following a year when the Oklahoma Tax Commission
6 calculates an estimate under the provisions of paragraph 1 of this
7 subsection in excess of One Million Dollars (\$1,000,000.00).

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

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10 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
11 03/05/2025 - DO PASS, As Amended and Coauthored.
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