

The Senate Committee on Finance offered the following substitute to HB 1039:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to imposition, rate, computation, exemptions, and credits relative to state income  
3 taxes, so as to limit eligibility for the rural physician tax credit to persons qualifying as a  
4 rural physician on or before December 31, 2022; to provide for automatic repeal; to create  
5 a new tax credit for rural physicians, dentists, nurse practitioners, and physician assistants;  
6 to provide for conditions and limitations; to provide for an aggregate cap; to provide for  
7 related matters; to provide for an effective date and applicability; to repeal conflicting laws;  
8 and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
12 imposition, rate, computation, exemptions, and credits relative to state income taxes, is  
13 amended by revising Code Section 48-7-29, relating to tax credits for rural physicians, as  
14 follows:

15 "48-7-29.

16 (a) As used in this Code section, the term:

17 (1) 'Rural county' means a county in this state that has 65 persons per square mile or  
18 fewer according to the United States decennial census of 1990 or any future such census.

19 (2) 'Rural hospital' means an acute-care hospital located in a rural county that contains  
20 fewer than 100 beds.

21 (3) 'Rural physician' means a physician licensed to practice medicine in this state, who  
22 practices in a rural county and resides in a rural county or a county contiguous to the rural  
23 county in which such physician practices and primarily admits patients to a rural hospital  
24 and practices in the fields of family practice, obstetrics and gynecology, pediatrics,  
25 internal medicine, or general surgery.

26 (b)(1) A person qualifying as a rural physician on or before December 31, 2022, shall be  
27 allowed a credit against the tax imposed by Code Section 48-7-20 in an amount not to  
28 exceed \$5,000.00. The tax credit may be claimed for not more than five years, provided  
29 that the physician continues to qualify as a rural physician. In no event shall the amount  
30 of the tax credit exceed the taxpayer's income tax liability, and any unused tax credit shall  
31 not be allowed to be carried forward to apply to the taxpayer's succeeding years' tax  
32 liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability.

33 (2) No physician who on July 1, 1995, is currently practicing in a rural county shall be  
34 eligible to receive the credit provided for in paragraph (1) of this subsection. No credit  
35 shall be allowed for a physician who has previously practiced in a rural county, unless,  
36 after July 1, 1995, that physician returns to practice in a rural county after having  
37 practiced in a nonrural county for at least three years.

38 (c) The commissioner shall promulgate any rules and regulations necessary to implement  
39 and administer this Code section.

40 (d) This Code section shall stand repealed by operation of law at the last moment of  
41 December 31, 2027."

**SECTION 2.**

42

43 Said article is further amended by adding a new Code section to read as follows:

44 "48-7-29.01.45 (a) As used in this Code section, the term:46 (1) 'Dentist' means a person licensed pursuant to Chapter 11 of Title 43 to practice  
47 dentistry in this state.48 (2) 'Health care professional' means a dentist, nurse practitioner, physician, or physician  
49 assistant.50 (3) 'Nurse practitioner' means a person licensed pursuant to Chapter 26 of Title 43 as a  
51 registered professional nurse and authorized by the Georgia Board of Nursing to practice  
52 as a nurse practitioner.53 (4) 'Physician' means a person licensed pursuant to Chapter 34 of Title 43 as a physician  
54 who practices medicine in the field of family practice, obstetrics and gynecology,  
55 pediatrics, internal medicine, or general surgery.56 (5) 'Physician assistant' means a person licensed pursuant to Chapter 34 of Title 43 as a  
57 physician assistant.58 (6) 'Rural county' means a county in this state that has a population of less than 50,000  
59 according to the United States decennial census of 2020 or any future such census;  
60 provided, however, that for counties which contain a military base or installation, the  
61 military personnel and their dependents living in such county shall be excluded from the  
62 total population of such county for purposes of this definition.63 (7) 'Rural health care professional' means a health care professional who practices in a  
64 rural county and resides in a rural county.65 (b)(1) A person qualifying as a rural health care professional shall be allowed a credit  
66 against the tax imposed by Code Section 48-7-20 in an amount not to exceed \$5,000.00.  
67 The tax credit may be claimed each year for up to five years, provided that the rural  
68 health care professional continues to qualify as a rural health care professional. No

69 person shall be allowed a tax credit under this Code section and Code Section 48-7-29  
70 in the same taxable year. Each person shall be limited to a total of five years of tax  
71 credits across this Code section and Code Section 48-7-29 combined. In no event shall  
72 the amount of the tax credit exceed the taxpayer's income tax liability, nor shall any  
73 unused tax credit be allowed to be carried forward or applied to any of the taxpayer's  
74 succeeding years' tax liability. No such tax credit shall be allowed the taxpayer against  
75 prior years' tax liability.

76 (2) No rural health care professional who on January 1, 2023, is currently practicing in  
77 a rural county shall be eligible to receive the credit provided for in paragraph (1) of this  
78 subsection. No credit shall be allowed for a rural health care professional who has  
79 previously practiced in a rural county, unless after January 1, 2023, that rural health care  
80 professional returns to practice in a rural county after having practiced in a county other  
81 than a rural county for at least three years.

82 (3) The aggregate amount of tax credits allowed pursuant to this Code section shall not  
83 exceed \$2 million for any calendar year. The commissioner shall allow the tax credits  
84 on a first come, first served basis.

85 (c) The commissioner shall promulgate any rules and regulations necessary to implement  
86 and administer this Code section."

87 **SECTION 3.**

88 This Act shall become effective on January 1, 2023, and shall be applicable to taxable years  
89 beginning on or after January 1, 2023.

90 **SECTION 4.**

91 All laws and parts of laws in conflict with this Act are repealed.