

1 **SENATE FLOOR VERSION**

2 April 7, 2021

3 ENGROSSED HOUSE  
4 BILL NO. 2089

By: McCall, O'Donnell, Phillips  
and Boles of the House  
and

5  
6 McCortney and Jech of the  
Senate

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8  
9 An Act relating to income tax; providing credit for  
10 income from compensation related to certain practice  
11 of medicine or osteopathic medicine; defining terms;  
12 providing for amount of credit; providing limitations  
13 on use of credit; specifying time period during which  
14 credit is allowed; requiring Oklahoma Tax Commission  
15 to calculate and publish certain estimate; providing  
16 for suspension of credit under certain circumstances;  
17 providing for codification; and providing an  
18 effective date.

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

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

A. Except as provided in subsection F of this section, for  
taxable years beginning after December 31, 2021, there shall be  
allowed a credit against the tax imposed pursuant to Section 2355 of  
Title 68 of the Oklahoma Statutes on taxable income from  
compensation directly related to the practice of medicine or

1 osteopathic medicine by a qualifying doctor in a rural area of the  
2 state.

3 B. For purposes of this section:

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

6 a. who is licensed in this state by the State Board of  
7 Medical Licensure and Supervision or the State Board  
8 of Osteopathic Examiners either on or after the  
9 effective date of this act or at any time within the  
10 period two (2) years prior to the effective date of  
11 this act, but not earlier than January 1, 2020,

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

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

1 the federally recognized tribe for the entire taxable  
2 year for which the credit otherwise authorized by this  
3 section is claimed; and

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

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

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

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

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

19 E. Except as provided in subsection F of this section, a  
20 qualifying doctor who first claims the credit provided by this  
21 section shall be allowed the credit for up to four (4) subsequent  
22 taxable years so long as he or she qualifies pursuant to subsection  
23 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, 2022.

9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS

10 April 7, 2021 - DO PASS  
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