

A-Engrossed
House Bill 3087

Ordered by the House May 5
Including House Amendments dated May 5

Sponsored by Representative RICHARDSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Creates income tax credit for [*health professionals*] **physicians** who provide volunteer services at certified community-based health centers. Limits amount of credit and number of centers that may be certified.

Requires certifications to be issued prior to January 1, 2007. Applies to tax years beginning on or after January 1, 2005, and before January 1, 2008.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for health professionals; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Sections 2 to 5 of this 2005 Act are added to and made a part of ORS chapter**
5 **315.**

6 **SECTION 2. As used in sections 2 to 5 of this 2005 Act:**

7 (1) **"Physician" means a physician licensed under ORS 677.100 to 677.228 to practice**
8 **medicine in this state.**

9 (2) **"Volunteer service" means physician services that are provided:**

10 (a) **Without charge;**

11 (b) **To an individual who is not covered by health insurance or a health benefit plan;**

12 (c) **To an individual who has been referred to the physician by a community-based health**
13 **center certified under section 4 of this 2005 Act; and**

14 (d) **By a physician practicing in a field of reported specialty care recognized by the Board**
15 **of Medical Examiners and designated by the Department of Human Services as eligible for**
16 **the tax credit allowed under section 3 of this 2005 Act.**

17 **SECTION 3. (1) A physician who provides volunteer service to a community-based health**
18 **center that has been certified under section 4 of this 2005 Act is allowed a credit against the**
19 **taxes that are otherwise due under ORS chapter 316 for the tax year for which the volunteer**
20 **service was performed.**

21 (2) **A taxpayer may not claim a credit under this section unless the value of volunteer**
22 **service provided by the taxpayer during the tax year, computed using an hourly wage of \$125,**
23 **exceeds \$875.**

24 (3) **The amount of the credit allowed under this section shall equal the lesser of:**

25 (a) **The amount produced by multiplying the taxpayer's hours of volunteer service during**
26 **the tax year by \$125 per hour;**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) \$93,750; or

2 (c) The tax liability of the taxpayer.

3 (4) A credit under this section may not be carried forward to a succeeding tax year.

4 (5) In the case of a credit allowed under this section:

5 (a) A nonresident shall be allowed the credit in the same manner and subject to the same
6 limitations as a resident. However, the credit shall be prorated using the proportion provided
7 in ORS 316.117.

8 (b) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085 or
9 if the Department of Revenue terminates the taxpayer's tax year under ORS 314.440, the
10 credit allowed by this section shall be prorated or computed in a manner consistent with ORS
11 314.085.

12 (c) If a change in the status of a taxpayer from resident to nonresident or from nonres-
13 ident to resident occurs, the credit allowed by this section shall be determined in a manner
14 consistent with ORS 316.117.

15 **SECTION 4.** (1) Community-based health centers may apply to the Department of Human
16 Services for certification as health centers for which volunteer service may be eligible for a
17 tax credit under section 3 of this 2005 Act.

18 (2) The application shall contain the information required by the Department of Human
19 Services, including an explanation of the volunteer service program the community-based
20 health center intends to operate.

21 (3) The Department of Human Services may certify a community-based health center
22 that applies under this section and has a volunteer service program that meets the require-
23 ments of rules adopted under section 5 of this 2005 Act. Each certification shall state the
24 maximum number of cumulative volunteer service hours, not to exceed 750 hours per cal-
25 endar year, that may be performed at the health center.

26 (4) The department may not certify more than three community-based health centers
27 under this section, nor more than one health center in each of the following geographic re-
28 gions:

29 (a) Northwest Oregon.

30 (b) Southern Oregon.

31 (c) Eastern Oregon.

32 **SECTION 5.** The Department of Human Services shall adopt rules:

33 (1) Setting forth the requirements a community-based health center must meet to be
34 certified under section 4 of this 2005 Act;

35 (2) Designating the recognized field of reported specialty care in which a physician must
36 be practicing to be eligible to perform volunteer services for the tax credit under section 3
37 of this 2005 Act; and

38 (3) Setting forth the requirements a volunteer service program must meet for the
39 community-based health center to be certified under section 4 of this 2005 Act, including but
40 not limited to requirements for recording hours of volunteer service and requirements for
41 ensuring that individuals described in section 2 (2) of this 2005 Act are receiving volunteer
42 service.

43 **SECTION 6.** Section 3 of this 2005 Act applies to tax years beginning on or after January
44 1, 2005, and before January 1, 2008.

45 **SECTION 7.** The Department of Human Services may not certify a community-based

1 **health center under section 4 of this 2005 Act on or after January 1, 2007.**

2 **SECTION 8. Sections 2 to 5 of this 2005 Act are repealed January 2, 2010.**

3 **SECTION 9. Nothing in the repeal of section 3 of this 2005 Act by section 8 of this 2005**
4 **Act affects the allowance of a tax credit under section 3 of this 2005 Act for a tax year be-**
5 **ginning before January 1, 2008.**

6 **SECTION 10. This 2005 Act takes effect on the 91st day after the date on which the**
7 **regular session of the Seventy-third Legislative Assembly adjourns sine die.**

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