

House Bill 3087

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 **as introduced**.

Creates income tax credit for health professionals 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.

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

4 **SECTION 1. Sections 2 to 6 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 6 of this 2005 Act:**

7 (1) **"Health professional" means an individual subject to regulation or licensure by a**
8 **health professional regulatory board, except that "health professional" does not include a**
9 **veterinarian.**

10 (2) **"Health professional regulatory board" has the meaning given that term in ORS**
11 **676.160.**

12 (3) **"Volunteer service" means professional services that are provided:**

13 (a) **Without charge;**

14 (b) **In the profession for which the health professional is subject to regulation or**
15 **licensure by a health professional regulatory board; and**

16 (c) **To individuals who are not covered by health insurance or a health benefits plan.**

17 **SECTION 3. (1) A health professional that provides volunteer service to a community-**
18 **based health center that has been certified under section 4 of this 2005 Act is allowed a credit**
19 **against the taxes that are otherwise due under ORS chapter 316 for the tax year for which**
20 **the volunteer 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 the hourly average**
23 **rates reported under section 6 of this 2005 Act, exceeds \$889.**

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

25 (a) **Forty-five percent of the amount produced by multiplying the taxpayer's hours of**
26 **volunteer service during the tax year by the applicable rate per hour reported under section**
27 **6 of this 2005 Act for the calendar year in which the taxpayer's tax year begins; or**

28 (b) **The tax liability of the taxpayer.**

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

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

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

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

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

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

15 (2) The application shall contain the information required by the Department of Human
 16 Services, including an explanation of the volunteer service program the health center intends
 17 to operate.

18 (3) The Department of Human Services shall certify a health center that applies under
 19 this section and has a volunteer service program that meets the requirements of rules
 20 adopted under section 5 of this 2005 Act. Each certification shall state the maximum number
 21 of volunteer service hours that may be performed at the health center.

22 (4) The Department of Human Services may certify up to three health centers under this
 23 section and may certify up to 750 volunteer service hours that may be cumulatively per-
 24 formed at certified health centers.

25 **SECTION 5.** The Department of Human Services shall adopt rules setting forth require-
 26 ments:

27 (1) A community-based health center must meet to be certified under section 4 of this
 28 2005 Act; and

29 (2) A volunteer service program must meet for the health center to be certified under
 30 section 4 of this 2005 Act, including but not limited to requirements for recording hours of
 31 volunteer service and requirements for ensuring that patients described in section 2 (3)(c)
 32 of this 2005 Act are receiving volunteer service.

33 **SECTION 6.** (1) For purposes of computing the tax credit allowed under section 3 of this
 34 2005 Act, each health professional regulatory board shall annually determine an hourly av-
 35 erage rate of compensation that each type of health professional subject to the jurisdiction
 36 of that board charges for professional services.

37 (2) Notwithstanding subsection (1) of this section, the hourly average rate determined
 38 under subsection (1) of this section may not exceed \$125.

39 (3) Each health professional regulatory board shall send the board's determinations to
 40 the Department of Human Services on or before January 31 of the year for which the de-
 41 terminations are being made.

42 (4) The Department of Human Services shall send all board determinations to the De-
 43 partment of Revenue and to each community-based health center certified under section 4
 44 of this 2005 Act.

45 **SECTION 7.** Section 3 of this 2005 Act applies to tax years beginning on or after January

1 1, 2005, and before January 1, 2008.

2 **SECTION 8.** The Department of Human Services may not certify a community-based
3 health center under section 4 of this 2005 Act on or after January 1, 2007.

4 **SECTION 9.** Sections 2 to 6 of this 2005 Act are repealed January 2, 2010.

5 **SECTION 10.** Nothing in the repeal of section 3 of this 2005 Act affects the allowance of
6 a tax credit under section 3 of this 2005 Act for a tax year beginning before January 1, 2008.

7 **SECTION 11.** This 2005 Act takes effect on the 91st day after the date on which the
8 regular session of the Seventy-third Legislative Assembly adjourns sine die.

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