

1 HB596
2 168673-1
3 By Representative Wadsworth
4 RFD: Ways and Means Education
5 First Read: 05-MAY-15

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, a qualifying rural
9 physician is allowed a certain income tax credit.
10 This bill would limit the tax credit to a
11 total of five years.

12
13 A BILL
14 TO BE ENTITLED
15 AN ACT

16
17 Relating to tax credits for rural physicians; to
18 amend Sections 40-18-130, 40-18-131, and 40-18-132, Code of
19 Alabama 1975; to provide for definitions; to limit the tax
20 credit to five total years; and to provide for an effective
21 date.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Sections 40-18-130, 40-18-131, and
24 40-18-132, Code of Alabama 1975, are amended to read as
25 follows:

26 "§40-18-130.

1 "It is the intent of the Legislature to institute
2 programs that will make Alabama more competitive with other
3 states in the recruitment and retention of physicians and
4 reduce inequities that ~~a small or rural hospital~~ and small or
5 rural communities have in the funding and recruitment of
6 physician services.

7 "§40-18-131.

8 "For the purposes of this article, the following
9 words have the following meanings, respectively, unless the
10 context clearly indicates otherwise:

11 "(1) RURAL PHYSICIAN. A physician licensed to
12 practice medicine in Alabama who practices and resides in a
13 small or rural ~~community and has admission privileges to a~~
14 ~~small or rural hospital~~ county.

15 "(2) SMALL OR RURAL ~~COMMUNITY~~ COUNTY. A ~~community~~
16 county in Alabama that has less than 25,000 residents
17 according to the latest decennial census ~~and has a hospital~~
18 ~~with an emergency room~~.

19 "~~(3) SMALL OR RURAL HOSPITAL. An acute care hospital~~
20 ~~that meets one of the following requirements:~~

21 "~~a. Contains less than 105 beds and is located more~~
22 ~~than 20 miles, under normal travel conditions, from another~~
23 ~~acute care hospital located in Alabama.~~

24 "~~b. Receives Medicare rural reimbursement from the~~
25 ~~federal government.~~

26 "§40-18-132.

1 "Beginning with the ~~1994~~ January 1, 2016, tax year,
2 a person qualifying as a rural physician shall be allowed a
3 credit against the tax imposed by Section 40-18-2, in the sum
4 of \$5,000. No credit shall be allowed to a rural physician who
5 ~~is, on May 4, 1993, practicing in a small or rural community.~~
6 ~~No credit shall be allowed to a physician who has previously~~
7 ~~practiced in a small or rural community unless, after May 4,~~
8 ~~1993, that physician returns to practice in a small or rural~~
9 ~~community after having practiced in a large or urban community~~
10 ~~for at least three years previously received the credit~~
11 ~~allowed by this section for five tax years and who practiced~~
12 ~~in a small or rural county.~~ The tax credit may be claimed for
13 not more than five ~~consecutive~~ total tax years from the
14 original enactment of this section. The Department of Revenue
15 shall promulgate any rules and regulations necessary to
16 implement and administer the provisions of this article."

17 Section 2. This act shall become effective on the
18 first day of the third month following its passage and
19 approval by the Governor, or its otherwise becoming law.