

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 HOUSE BILL 2511

By: McCall, Russ and West  
(Josh) of the House

6 and

7 Thompson of the Senate

8  
9 COMMITTEE SUBSTITUTE

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

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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 2357.405 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection E of this section, for  
taxable years beginning after December 31, 2019, 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

1 compensation directly related to the practice of medicine or  
2 osteopathic medicine by a qualifying doctor in a rural area of the  
3 state.

4 B. For purposes of this section:

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

7 a. who is licensed in this state by the State Board of  
8 Medical Licensure and Supervision or the State Board  
9 of Osteopathic Examiners,

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

13 c. whose primary residence is located within the same  
14 county as the rural area where the compensation  
15 qualifying for credit under this paragraph was earned;  
16 and

17 2. "Rural area" means any municipality or unincorporated  
18 location in Oklahoma which:

19 a. has a population not exceeding twenty-five thousand  
20 (25,000) as determined by the most recent Federal  
21 Decennial Census, and

22 b. is at least twenty-five (25) miles from the boundary  
23 of the nearest municipality in Oklahoma with a  
24 population exceeding twenty-five thousand (25,000) as

1                   determined by the most recent Federal Decennial  
2                   Census.

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

6           D.   The credit authorized by this section shall not be used to  
7 reduce the tax liability of the taxpayer to less than zero (0).

8           E.   Except as provided in subsection F of this section, a  
9 qualifying doctor who first claims the credit provided by this  
10 section shall be allowed the credit for up to four (4) subsequent  
11 taxable years so long as he or she qualifies pursuant to subsection  
12 B of this section.

13          F.   1.   Annually the Oklahoma Tax Commission shall calculate and  
14 publish an estimate of the cumulative total credits claimed due to  
15 the provisions of this section.

16          2.   The credit provided by this paragraph shall not be allowed  
17 for any taxable year following a year when the Oklahoma Tax  
18 Commission calculates an estimate under the provisions of paragraph  
19 1 of this subsection in excess of One Million Dollars  
20 (\$1,000,000.00).

21          SECTION 2.   This act shall become effective January 1, 2020.

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23          57-1-2107            JCR            4/9/2019 3:51:07 PM  
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