

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1031

Bill Subtitle: TO CREATE AN INCOME TAX EXEMPTION FOR INCENTIVES RECEIVED UNDER THE COMMUNITY MATCH RURAL PHYSICIAN RECRUITMENT PROGRAM.

Basic Change :

Sponsor: Representative Bentley

HB1031 provides an income tax exemption for incentives received under the Community Match Rural Physician Recruitment Program. Currently, a physician in their residency or within two years of completion of his or her residency may jointly apply with an underserved rural community to participate in the Community Match Rural Physician Recruitment Program. To participate, the physician agrees to practice in the area of primary care in the community for a period of four years. In return, the community agrees to pay the physician an additional \$10,000 per year and the State pays \$10,000 per year for a total of \$80,000 for four years. The bill is effective for tax years beginning on or after January 1, 2017.

Revenue Impact :

FY2018 and after of \$20,000 per year reduction to General Revenue

Taxpayer Impact :

Income received by taxpayers from the Community Match Rural Physician Recruitment Program will be exempt from income tax. Currently, the incentive can be up to \$20,000 per year from both State and local sources for up to four years per person.

Resources Required :

Tax forms and instructions will need to be updated.

Time Required :

Adequate time is provided.

Procedural Changes :

None

Other Comments :

None

Legal Analysis :

This bill exempts incentives received by doctors who agree to practice in rural areas via the Community Match Rural Doctor Recruitment Program from income tax .