

1 SB78
2 172544-1
3 By Senator Dial
4 RFD: Finance and Taxation Education
5 First Read: 02-FEB-16

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, a state income tax
9 credit is given to rural physicians who practice
10 and reside in rural communities.

11 This bill would increase the amount of the
12 tax credit to each physician and dentist who
13 practice and reside in a rural community for 10
14 years.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 To amend Section 40-18-132, Code of Alabama 1975,
21 relating to state income tax credits for rural physicians; to
22 provide an increase of the amount of the tax credit to each
23 physician and dentist who practice and reside in a rural
24 community for 10 years.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Section 40-18-132, Code of Alabama 1975,
27 is amended to read as follows:

1 "§40-18-132.

2 "(a) Beginning with the 1994 tax year, a person
3 qualifying as a rural physician shall be allowed a credit
4 against the tax imposed by Section 40-18-2, in the sum of
5 \$5,000. No credit shall be allowed to a rural physician who
6 is, on May 4, 1993, practicing in a small or rural community.
7 No credit shall be allowed to a physician who has previously
8 practiced in a small or rural community unless, after May 4,
9 1993, that physician returns to practice in a small or rural
10 community after having practiced in a large or urban community
11 for at least three years. The tax credit may be claimed for
12 not more than five consecutive tax years.

13 "(b) Beginning with the 2016 tax year, a person who
14 qualifies as a rural physician or dentist and resides in the
15 rural community where he or she practices shall be allowed a
16 credit against the tax imposed by Section 40-18-2 in the sum
17 of ten thousand dollars (\$10,000) for a period of 10
18 consecutive years.

19 "(c) The Department of Revenue shall promulgate any
20 rules and regulations necessary to implement and administer
21 the provisions of this article."

22 Section 2. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.