

House Bill 1038

By: Representatives Cooper of the 43rd, Jasperse of the 11th, Corbett of the 174th, Watson of the 172nd, and England of the 116th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to imposition, rate, computation, exemptions, and credits relative to state income
3 taxes, so as to limit eligibility for the rural physician tax credit to persons qualifying as a
4 rural physician on or before December 31, 2022; to provide for automatic repeal; to create
5 a new tax credit for rural physicians, dentists, nurse practitioners, and physician assistants;
6 to provide for conditions and limitations; to provide for an aggregate cap; to provide
7 definitions; to provide for promulgation of rules and regulations; to provide for related
8 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for
9 other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
13 imposition, rate, computation, exemptions, and credits relative to state income taxes, is
14 amended by revising Code Section 48-7-29, relating to tax credits for rural physicians, as
15 follows:

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16 "48-7-29.

17 (a) As used in this Code section, the term:

18 (1) 'Rural county' means a county in this state that has 65 persons per square mile or
19 fewer according to the United States decennial census of 1990 or any future such census.

20 (2) 'Rural hospital' means an acute-care hospital located in a rural county that contains
21 fewer than 100 beds.

22 (3) 'Rural physician' means a physician licensed to practice medicine in this state, who
23 practices in a rural county and resides in a rural county or a county contiguous to the rural
24 county in which such physician practices and primarily admits patients to a rural hospital
25 and practices in the fields of family practice, obstetrics and gynecology, pediatrics,
26 internal medicine, or general surgery.

27 (b)(1) A person qualifying as a rural physician on or before December 31, 2022, shall be
28 allowed a credit against the tax imposed by Code Section 48-7-20 in an amount not to
29 exceed \$5,000.00. The tax credit may be claimed for not more than five years, provided
30 that the physician continues to qualify as a rural physician. In no event shall the amount
31 of the tax credit exceed the taxpayer's income tax liability, and any unused tax credit shall
32 not be allowed to be carried forward to apply to the taxpayer's succeeding years' tax
33 liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability.

34 (2) No physician who on July 1, 1995, is currently practicing in a rural county shall be
35 eligible to receive the credit provided for in paragraph (1) of this subsection. No credit
36 shall be allowed for a physician who has previously practiced in a rural county, unless,
37 after July 1, 1995, that physician returns to practice in a rural county after having
38 practiced in a nonrural county for at least three years.

39 (c) The commissioner shall promulgate any rules and regulations necessary to implement
40 and administer this Code section.

41 (d) This Code section shall stand repealed by operation of law at the last moment of
42 December 31, 2027."

SECTION 2.

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Said article is further amended by adding a new Code section to read as follows:

"48-7-29.01.

(a) As used in this Code section, the term:

(1) 'Dentist' means a person licensed pursuant to Chapter 11 of Title 43 to practice dentistry in this state.

(2) 'Health care professional' means a dentist, nurse practitioner, physician, or physician assistant.

(3) 'Nurse practitioner' means a person licensed pursuant to Chapter 26 of Title 43 as a registered professional nurse and authorized by the Georgia Board of Nursing to practice as a nurse practitioner.

(4) 'Physician' means a person licensed pursuant to Chapter 34 of Title 43 as a physician who practices medicine in the field of family practice, obstetrics and gynecology, pediatrics, internal medicine, or general surgery.

(5) 'Physician assistant' means a person licensed pursuant to Chapter 34 of Title 43 as a physician assistant.

(6) 'Rural county' means a county in this state that has a population of less than 50,000 according to the United States decennial census of 2020 or any future such census; provided, however, that for counties which contain a military base or installation, the military personnel and their dependents living in such county shall be excluded from the total population of such county for purposes of this definition.

(7) 'Rural health care professional' means a health care professional who practices in a rural county and resides in a rural county.

(b)(1) A person qualifying as a rural health care professional shall be allowed a credit against the tax imposed by Code Section 48-7-20 in an amount not to exceed \$5,000.00. The tax credit may be claimed each year for up to five years, provided that the rural health care professional continues to qualify as a rural health care professional. No

70 person shall be allowed a tax credit under this Code section and Code Section 48-7-29
71 in the same taxable year. Each person shall be limited to a total of five years of tax
72 credits across this Code section and Code Section 48-7-29 combined. In no event shall
73 the amount of the tax credit exceed the taxpayer's income tax liability, nor shall any
74 unused tax credit be allowed to be carried forward or applied to any of the taxpayer's
75 succeeding years' tax liability. No such tax credit shall be allowed the taxpayer against
76 prior years' tax liability.

77 (2) No rural health care professional who on January 1, 2023, is currently practicing in
78 a rural county shall be eligible to receive the credit provided for in paragraph (1) of this
79 subsection. No credit shall be allowed for a rural health care professional who has
80 previously practiced in a rural county, unless after January 1, 2023, that rural health care
81 professional returns to practice in a rural county after having practiced in a county other
82 than a rural county for at least three years.

83 (3) The aggregate amount of tax credits allowed pursuant to this Code section shall not
84 exceed \$5 million for any calendar year. The commissioner shall allow the tax credits
85 on a first come, first served basis.

86 (c) The commissioner shall promulgate any rules and regulations necessary to implement
87 and administer this Code section."

88 **SECTION 3.**

89 This Act shall become effective on January 1, 2023, and shall be applicable to taxable years
90 beginning on or after January 1, 2023.

91 **SECTION 4.**

92 All laws and parts of laws in conflict with this Act are repealed.