

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
4 HOUSE BILL 2645

By: Hilbert of the House

5 and

6 Paxton of the Senate

7

8 COMMITTEE SUBSTITUTE

9 [ revenue - taxation - medicine - terms - credit -  
10 limitations - time period - Oklahoma Tax Commission -  
estimate - circumstances - codification - effective  
date ]

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13 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

14 SECTION 1. NEW LAW A new section of law to be codified

15 in the Oklahoma Statutes as Section 2357.410 of Title 68, unless  
16 there is created a duplication in numbering, reads as follows:

17 A. Except as provided in subsection F of this section, for tax  
18 year 2026 and subsequent tax years, there shall be allowed a credit  
19 against the tax imposed pursuant to Section 2355 of Title 68 of the  
20 Oklahoma Statutes on taxable income from compensation directly  
21 related to the practice of medicine or osteopathic medicine by a  
22 qualifying doctor in a rural area of this state.

23 B. For purposes of this section:

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

- 3           a. who is licensed in this state by the State Board of  
4           Medical Licensure and Supervision or the State Board  
5           of Osteopathic Examiners either on or after the  
6           effective date of this act or at any time within the  
7           period two (2) years prior to the effective date of  
8           this act, but not earlier than January 1, 2024,  
9           b. who has graduated from a college of medicine or  
10           osteopathic medicine located in this state or has  
11           completed his or her residency in this state, and  
12           c. whose primary residence is located within the same  
13           county as the rural area where the compensation  
14           qualifying for credit under this paragraph was earned.

15           For purposes of this subparagraph, the qualifying  
16           doctor must maintain the primary residence either  
17           within the county for the entire taxable year for  
18           which the credit otherwise authorized by this section  
19           is claimed; and

20       2. "Rural area" means any municipality or unincorporated  
21 location in this state which:

- 22           a. has a population not exceeding twenty-five thousand  
23           (25,000) as determined by the most recent Federal  
24           Decennial Census, and

1           b. is at least twenty-five (25) miles from the boundary  
2           of the nearest municipality in this state with a  
3           population exceeding twenty-five thousand (25,000) as  
4           determined by the most recent Federal Decennial  
5           Census.

6           C. The amount of the credit provided by this section claimed by  
7           a taxpayer in any tax year shall not exceed Twenty Thousand Dollars  
8           (\$20,000.00).

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

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

16          F. For tax year 2028 and subsequent tax years, the total amount  
17          of credits authorized by this section shall not exceed One Million  
18          Dollars (\$1,000,000.00). The Oklahoma Tax Commission shall annually  
19          calculate and publish a percentage by which the credits authorized  
20          by this section shall be reduced so the total amount of credits used  
21          to offset tax does not exceed the annual limit. The formula to be  
22          used for the percentage adjustment shall be One Million Dollars  
23          (\$1,000,000.00) divided by the amount of credit claimed in the  
24          second preceding tax year. In the event the total tax credits

1 authorized by this section exceed the annual limit in any tax year,  
2 the Tax Commission shall permit any excess but shall factor such  
3 excess into the percentage adjustment formula for subsequent tax  
4 years.

5 SECTION 2. This act shall become effective January 1, 2026.  
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7 60-1-2039

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