

1 ENGROSSED SENATE AMENDMENT
2 TO
3 ENGROSSED HOUSE
4 BILL NO. 2645

By: Hilbert of the House

5
6
7 and

8 Paxton of the Senate

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

14
15 AMENDMENT NO. 1. Page 1, strike the stricken title, enacting clause
16 and entire bill and insert

17
18
19
20 "[revenue - taxation - medicine - terms - credit -
21 limitations - time period - Oklahoma Tax Commission -
22 estimate - circumstances - codification - effective
23 date]

24 ~~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 2357.410 of Title 68, unless
there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection F of this section, for tax
year 2026 and subsequent tax years, there shall be allowed a credit

1 against the tax imposed pursuant to Section 2355 of Title 68 of the
2 Oklahoma Statutes on taxable income from compensation directly
3 related to the practice of medicine or osteopathic medicine by a
4 qualifying doctor in a rural area of this state.

5 B. For purposes of this section:

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

8 a. who is licensed in this state by the State Board of
9 Medical Licensure and Supervision or the State Board
10 of Osteopathic Examiners either on or after the
11 effective date of this act or at any time within the
12 period two (2) years prior to the effective date of
13 this act, but not earlier than January 1, 2024,

14 b. who has graduated from a college of medicine or
15 osteopathic medicine located in this state or has
16 completed his or her residency in this state, and

17 c. whose primary residence is located within the same
18 county as the rural area where the compensation
19 qualifying for credit under this paragraph was earned.

20 For purposes of this subparagraph, the qualifying
21 doctor must maintain the primary residence either
22 within the county for the entire taxable year for
23 which the credit otherwise authorized by this section
24 is claimed; and

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

- a. has a population not exceeding twenty-five thousand (25,000) as determined by the most recent Federal Decennial Census, and
- b. is at least twenty-five (25) miles from the boundary of the nearest municipality in this state with a population exceeding twenty-five thousand (25,000) as determined by the most recent Federal Decennial Census.

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

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

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

F. For tax year 2028 and subsequent tax years, the total amount of credits authorized by this section shall not exceed One Million Dollars (\$1,000,000.00). The Oklahoma Tax Commission shall annually calculate and publish a percentage by which the credits authorized

1 by this section shall be reduced so the total amount of credits used
2 to offset tax does not exceed the annual limit. The formula to be
3 used for the percentage adjustment shall be One Million Dollars
4 (\$1,000,000.00) divided by the amount of credit claimed in the
5 second preceding tax year. In the event the total tax credits
6 authorized by this section exceed the annual limit in any tax year,
7 the Tax Commission shall permit any excess but shall factor such
8 excess into the percentage adjustment formula for subsequent tax
9 years.

10 SECTION 2. This act shall become effective January 1, 2026."

11 Passed the Senate the 8th day of May, 2025.

12

13 Presiding Officer of the Senate

14

15 Passed the House of Representatives the _____ day of _____,
16 2025.

17

18 Presiding Officer of the House
19 of Representatives

1 ENGROSSED HOUSE
2 BILL NO. 2645

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6 [revenue - taxation - medicine - terms - credit -
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10
11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 3. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 2357.410 of Title 68, unless
14 there is created a duplication in numbering, reads as follows:

15 A. Except as provided in subsection F of this section, for
16 taxable years beginning after December 31, 2025, there shall be
17 allowed a credit against the tax imposed pursuant to Section 2355 of
18 Title 68 of the Oklahoma Statutes on taxable income from
19 compensation directly related to the practice of medicine or
20 osteopathic medicine by a qualifying doctor in a rural area of the
21 state.

22 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 or whose primary residence is located within the
16 jurisdiction of a federally recognized tribe and is
17 directly employed by a tribally owned or operated
18 health facility or federal Indian Health Service
19 facility. For purposes of this subparagraph, the
20 qualifying doctor must maintain the primary residence
21 either within the county or within the jurisdiction of
22 the federally recognized tribe for the entire taxable
23 year for which the credit otherwise authorized by this
24 section is claimed; and

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

- a. has a population not exceeding twenty-five thousand (25,000) as determined by the most recent Federal Decennial Census, and
- b. is at least twenty-five (25) miles from the boundary of the nearest municipality in Oklahoma with a population exceeding twenty-five thousand (25,000) as determined by the most recent Federal Decennial Census.

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

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

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

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

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

5 SECTION 4. This act shall become effective January 1, 2026.

6 Passed the House of Representatives the 25th day of March, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the _____ day of _____, 2025.

Presiding Officer of the Senate