

1 HB102  
2 189299-1  
3 By Representative Weaver  
4 RFD: Ways and Means Education  
5 First Read: 09-JAN-18

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8 SYNOPSIS: Under existing law, a state income tax  
9 credit of \$5,000 is given to rural physicians who  
10 practice and reside in rural communities for five  
11 years.

12 This bill would extend the tax credit to  
13 certified registered nurse practitioners who reside  
14 and practice in small rural communities.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 Relating to state income tax credits for rural  
21 physicians; to amend Sections 40-18-130 to 40-18-132,  
22 inclusive, Code of Alabama 1975, to extend the state income  
23 tax credit to certified registered nurse practitioners who  
24 reside and practice in small rural communities.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. Sections 40-18-130 to 40-18-132,  
2 inclusive, Code of Alabama 1975, are amended to read as  
3 follows:

4           "§40-18-130.

5           "It is the intent of the Legislature to institute  
6 programs that will make rural Alabama communities more  
7 competitive ~~with other states~~ in the recruitment and retention  
8 of physicians and reduce inequities that a ~~small or~~ rural  
9 hospital and small ~~or~~ rural communities have in the funding  
10 and recruitment of ~~physician services~~ physicians and advance  
11 practice nurses.

12           "§40-18-131.

13           "For the purposes of this article, the following  
14 words have the following meanings, respectively, unless the  
15 context clearly indicates otherwise:

16           "(1) RURAL CERTIFIED REGISTERED NURSE PRACTITIONER.

17 A nurse licensed as a certified registered nurse practitioner  
18 in Alabama who practices and resides in a small or rural  
19 community and practices an annual average of at least 20 hours  
20 per week.

21           ~~(1)~~(2) RURAL PHYSICIAN. A physician licensed to  
22 practice medicine in Alabama who practices and resides in a  
23 small or rural community and has admission privileges to a  
24 small or rural hospital.

25           "~~(2)~~(3) SMALL OR RURAL COMMUNITY. A community in  
26 Alabama that has less than 25,000 residents according to the

1 latest decennial census and has a hospital with an emergency  
2 room.

3 ~~"(3)~~ (4) SMALL OR RURAL HOSPITAL. An acute care  
4 hospital that meets one of the following requirements:

5 "a. Contains less than 105 beds and is located more  
6 than 20 miles, under normal travel conditions, from another  
7 acute care hospital located in Alabama.

8 "b. Receives Medicare rural reimbursement from the  
9 federal government.

10 "§40-18-132.

11 "(a) Beginning with the 1994 tax year, a person  
12 qualifying as a rural physician shall be allowed a credit  
13 against the tax imposed by Section 40-18-2, in the sum of  
14 ~~\$5,000~~ five thousand dollars (\$5,000). No credit shall be  
15 allowed to a rural physician who is, on May 4, 1993,  
16 practicing in a small or rural community. No credit shall be  
17 allowed to a physician who has previously practiced in a small  
18 or rural community unless, after May 4, 1993, that physician  
19 returns to practice in a small or rural community after having  
20 practiced in a large or urban community for at least three  
21 years. The tax credit may be claimed for not more than five  
22 consecutive tax years.

23 "(b) Beginning with the 2018 tax year, a person  
24 qualifying as a rural certified registered nurse practitioner  
25 shall be allowed a credit against the tax imposed by Section  
26 40-18-2, in the sum of five thousand dollars (\$5,000). No  
27 credit shall be allowed to a certified registered nurse

1 practitioner who is, on the effective date of the act adding  
2 this amendatory language, practicing in a small or rural  
3 community. No credit shall be allowed to a certified  
4 registered nurse practitioner who has previously practiced in  
5 a small or rural community unless, after the effective date of  
6 the act adding this amendatory language, that a certified  
7 registered nurse practitioner returns to practice in a small  
8 or rural community after having practiced in a large or urban  
9 community for at least three years. The tax credit may be  
10 claimed for not more than five consecutive tax years.

11           "(c) The Department of Revenue shall promulgate any  
12 rules and regulations necessary to implement and administer  
13 the provisions of this article."

14           Section 2. This act shall become effective  
15 immediately following its passage and approval by the  
16 Governor, or its otherwise becoming law.