

The House Committee on Ways and Means offers the following substitute to HB 82:

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 May 15, 2023; to provide for automatic repeal; to create a new  
5 tax credit for rural physicians and dentists; to provide for proration; to provide for conditions  
6 and limitations; to provide for an aggregate cap; to provide for related matters; to provide for  
7 an effective date and applicability; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

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

14 "48-7-29.

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

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

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

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

25 (b)(1) A person qualifying as a rural physician on or before May 15, 2023, shall be  
26 allowed a credit against the tax imposed by Code Section 48-7-20 in an amount not to  
27 exceed \$5,000.00. The tax credit may be claimed for not more than five years, provided  
28 that the physician continues to qualify as a rural physician. In no event shall the amount  
29 of the tax credit exceed the taxpayer's income tax liability, and any unused tax credit shall  
30 not be allowed to be carried forward to apply to the taxpayer's succeeding years' tax  
31 liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability.

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

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

39 (d) This Code section shall stand repealed and reserved on December 31, 2028."

40 **SECTION 2.**

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

42 "48-7-29.26.

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

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

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

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

54 (4) 'Rural health care professional' means a dentist or physician who practices in a rural  
55 county and resides in a rural county.

56 (b)(1) A person qualifying as a rural health care professional shall be allowed a credit  
57 against the tax imposed by Code Section 48-7-20 in the amount of \$5,000.00 for each 12  
58 month period of employment as a rural health care professional; provided, however, that  
59 such amount shall be prorated on a monthly basis for the first year during which a person  
60 qualifies as a rural health care professional. The tax credit may be claimed each year for  
61 up to five years, provided that the rural health care professional continues to qualify as  
62 a rural health care professional. No person shall be allowed a tax credit under this Code  
63 section and Code Section 48-7-29 in the same taxable year. Each person shall be limited  
64 to a total of five years of tax credits across this Code section and Code Section 48-7-29  
65 combined. In no event shall the amount of the tax credit exceed the taxpayer's income  
66 tax liability, nor shall any unused tax credit be allowed to be carried forward or applied  
67 to any of the taxpayer's succeeding years' tax liability. No such tax credit shall be  
68 allowed the taxpayer against prior years' tax liability.

69 (2) No rural health care professional who on May 15, 2023, is currently practicing in a  
70 rural county shall be eligible to receive the credit provided for in paragraph (1) of this

71 subsection. No credit shall be allowed for a rural health care professional who has  
72 previously practiced in a rural county, unless after May 15, 2023, that rural health care  
73 professional returns to practice in a rural county after having practiced in a county other  
74 than a rural county for at least three years.

75 (3) The aggregate amount of tax credits allowed pursuant to this Code section shall not  
76 exceed \$2 million for any calendar year. The commissioner shall allow the tax credits  
77 on a first come, first served basis.

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

80 **SECTION 3.**

81 This Act shall become effective on May 15, 2023, and shall be applicable to taxable years  
82 beginning on or after January 1, 2023.

83 **SECTION 4.**

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