

The Senate Committee on Finance offered 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 December 31, 2023; to provide for automatic repeal; to create  
5 a new tax credit for rural physicians and dentists; to provide for preapprovals; to provide for  
6 conditions and limitations; to provide for an aggregate cap; to provide for a sunset date; to  
7 provide for rules and regulations; to provide for related matters; to provide for an effective  
8 date and applicability; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

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

15 "48-7-29.

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

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

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

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

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

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

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

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

41

## SECTION 2.

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

43 "48-7-29.26.

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

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

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

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

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

57 (b)(1) Any person who is a rural health care professional shall be allowed a credit against  
58 the tax imposed by Code Section 48-7-20 in the amount of \$5,000.00 per year for up to  
59 five years, provided that the rural health care professional continues to practice as a rural  
60 health care professional and obtains preapprovals for each year as provided in  
61 subsection (e) of this Code section.

62 (2) No person shall be allowed a tax credit under this Code section and Code Section  
63 48-7-29 in the same taxable year. Each person shall be limited to a total of five years of  
64 tax credits across this Code section and Code Section 48-7-29 combined.

65 (c) In no event shall the amount of the tax credit exceed the taxpayer's income tax liability,  
66 nor shall any unused tax credit be allowed to be carried forward or applied to any of the  
67 taxpayer's succeeding years' tax liability. No such tax credit shall be allowed the taxpayer  
68 against prior years' tax liability.

69 (d) No rural health care professional who, on January 1, 2024, is currently practicing in  
70 a rural county shall be eligible to receive the credit provided for in paragraph (1) of  
71 subsection (b) of this Code section. No credit shall be allowed for a rural health care  
72 professional who has previously practiced in a rural county, unless after January 1, 2024,  
73 that rural health care professional returns to practice in a rural county after having practiced  
74 in a county other than a rural county for at least three years.

75 (e)(1) The aggregate amount of tax credits allowed pursuant to this Code section shall  
76 not exceed \$2 million for any calendar year.

77 (2) Each year, any individual who believes that they will be eligible for the tax credit  
78 allowed by this Code section may apply to the commissioner for preapproval to claim  
79 such tax credit. Such individuals shall file the application in the method and manner  
80 established by the commissioner, which shall require each individual to certify to the  
81 commissioner that they are rural health care professionals and that they expect to meet  
82 the conditions of this Code section for the year in which the application is filed.

83 (3) The commissioner shall accept and review all applications and shall notify applicants  
84 whether, for the given year, they are preapproved to claim the tax credit allowed by this  
85 Code section or that their application to claim such tax credit was denied. The  
86 commissioner shall issue preapprovals on a first come, first served basis and until the  
87 aggregate cap for the year has been fully preapproved.

88 (4) No taxpayer shall claim the tax credit allowed under this Code section for any year  
89 unless he or she has been preapproved by the commissioner and has satisfied the  
90 conditions required in this Code section for the taxable year for which the tax credit is  
91 claimed.

92 (f) The commissioner shall promulgate any rules and regulations necessary to implement  
93 and administer this Code section.

94 (g) This Code section shall be automatically repealed on December 31, 2026."

95

**SECTION 3.**

96 This Act shall become effective on July 1, 2023, and shall be applicable to taxable years  
97 beginning on or after January 1, 2024.

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**SECTION 4.**

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