

1 HB380  
2 149175-1  
3 By Representative Weaver  
4 RFD: Ways and Means Education  
5 First Read: 28-FEB-13

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8 SYNOPSIS: Under existing law, a state income tax  
9 credit is given to rural physicians who practice  
10 and reside in rural communities.

11 This bill would increase the amount of the  
12 tax credit and extend the years for its allowance.

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14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

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18 To amend Section 40-18-132, Code of Alabama 1975,  
19 relating to state income tax credits for rural physicians; to  
20 provide an increase in the state income tax credit awarded to  
21 physicians who practice in rural communities.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Section 40-18-132, Code of Alabama 1975,  
24 is amended to read as follows:

25 "§40-18-132.

26 "(a) Beginning with the 1994 tax year, a person  
27 qualifying as a rural physician shall be allowed a credit

1 against the tax imposed by Section 40-18-2, in the sum of  
2 \$5,000. No credit shall be allowed to a rural physician who  
3 is, on May 4, 1993, practicing in a small or rural community.  
4 No credit shall be allowed to a physician who has previously  
5 practiced in a small or rural community unless, after May 4,  
6 1993, that physician returns to practice in a small or rural  
7 community after having practiced in a large or urban community  
8 for at least three years. The tax credit may be claimed for  
9 not more than five consecutive tax years.

10 "(b) Beginning with the 2014 tax year, a person who  
11 qualifies as a rural physician shall be allowed a credit  
12 against the tax imposed by Section 40-18-2 in the sum of six  
13 thousand dollars (\$6,000) for a period of six consecutive  
14 years. Beginning with the 2015 tax year, a person who  
15 qualifies shall be allowed a tax credit of seven thousand  
16 dollars (\$7,000) for a period of seven consecutive years.  
17 Beginning with the 2016 tax year, a person who qualifies shall  
18 be allowed a tax credit of eight thousand dollars (\$8,000) for  
19 a period of eight consecutive years.

20 "(c) No person who qualifies shall be allowed to  
21 move from one qualifying year to the next progressive year. No  
22 credit shall be allowed to a physician who has previously  
23 practiced in a small or rural community unless he or she is  
24 previously qualified in this section and after the passage of  
25 the act adding this amendatory language returns to practice in  
26 a small or rural community after having practiced in a large  
27 or urban community for at least three years.

1                   "(d) The Department of Revenue shall promulgate any  
2 rules and regulations necessary to implement and administer  
3 the provisions of this article."

4                   Section 2. This act shall become effective  
5 immediately following its passage and approval by the  
6 Governor, or its otherwise becoming law.