



FISCAL NOTE

House Bill 46

Committee: Ways and Means Education

Sponsor: Representative Ed Oliver

Analyst: Tiffany Weaver

Date: 04/14/2025

House Bill 46 as introduced would terminate the existing rural tax credit program for tax years ending after December 31, 2025 but allow any physician currently claiming the tax credit to continue claiming the tax credit until the credit expires. This bill would also establish a new rural physician tax credit program for tax years beginning after January 1, 2026, providing a \$10,000 tax credit that may be claimed by rural physicians residing and practicing in newly defined rural communities, would decrease income tax revenues to the Education Trust Fund by an undetermined amount for Fiscal Years 2026 through 2030 dependent upon the number of physicians who: (1) reside in and practice medicine in a rural community, as provided by this bill or (2) return to practice in a rural community after having practiced in a non-rural community or outside of Alabama for at least three years. In tax year 2024, 68 rural physicians claimed the current tax credit for a total of \$251,000.

This bill would also increase the administrative obligations of: (1) the Alabama Statewide Area Health Education Center Program Office to review information submitted by physicians seeking to claim the tax credit, issue certificates to qualifying physicians, and file informational reports on the number of tax credits authorized and (2) the Alabama Commission on the Evaluation of Services to evaluate the successfulness of the program.