

STATE OF NEW YORK

9137

2025-2026 Regular Sessions

IN ASSEMBLY

October 17, 2025

Introduced by M. of A. SMULLEN -- read once and referred to the Committee on Health

AN ACT to amend part V of chapter 57 of the laws of 2022, amending the public health law and the insurance law relating to reimbursement for commercial and Medicaid services provided via telehealth, in relation to making such provisions permanent; to amend the public health law, in relation to establishing the rural healthcare professional loan repayment award program and the rural healthcare professional tax credit program; and to amend the tax law, in relation to establishing a tax credit for rural healthcare providers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 7 of part V of chapter 57 of the laws of 2022,
2 amending the public health law and the insurance law relating to
3 reimbursement for commercial and Medicaid services provided via tele-
4 health, as amended by section 5 of part B of chapter 57 of the laws of
5 2024, is amended to read as follows:

6 § 7. This act shall take effect immediately and shall be deemed to
7 have been in full force and effect on and after April 1, 2022[+
8 ~~provided, however, this act shall expire and be deemed repealed on and~~
9 ~~after April 1, 2026~~].

10 § 2. The public health law is amended by adding a new article 9-C to
11 read as follows:

ARTICLE 9-C

RURAL HEALTHCARE PROFESSIONAL LOAN REPAYMENT AWARD

AND TAX CREDIT PROGRAMS

Section 925. Definitions.

16 926. Rural healthcare professional loan repayment award program.

17 927. Rural healthcare professional tax credit program.

18 928. Rules and regulations.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 § 925. Definitions. For the purposes of this article, unless the
2 context clearly requires otherwise:

3 1. "Certificate of tax credit" or "certificate" shall mean the docu-
4 ment issued to a healthcare professional by the department as provided
5 in section nine hundred twenty-seven of this article.

6 2. "Full-time employee" means with respect to any month, an employee
7 who is employed on average at least thirty hours of service per week.

8 3. "Healthcare professionals" means licensed physicians, physician
9 assistants, dentists, physical therapists, pharmacists, registered phar-
10 macy technicians, registered nurses, licensed practical nurses, occupa-
11 tional therapists, mental health practitioners licensed pursuant to
12 title eight of the education law, and any other healthcare professional
13 as determined by the commissioner in consultation with the commissioner
14 of education.

15 4. "Rural area" shall have the same meaning as such term is defined in
16 subdivision eight of section two hundred sixty of the agriculture and
17 markets law.

18 5. "Rural municipality" means a city, county, town, village, or other
19 political subdivision of the state of New York located within a rural
20 area.

21 6. "Small town" means a town in the state with a population of less
22 than five thousand at the date of the most recent United States census
23 bureau decennial census.

24 § 926. Rural healthcare professional loan repayment award program.

25 1.(a) Notwithstanding any contrary provision of this section, sections
26 one hundred twelve and one hundred sixty-three of the state finance law,
27 or any other contrary provision of law, and subject to appropriation,
28 the commissioner is authorized to make loan repayment awards to eligible
29 healthcare professionals who agree to practice full-time in a rural area
30 in New York state, in accordance with the provisions of this section.

31 (b) Loan repayment awards made under this section shall be awarded to
32 repay student loans of healthcare professionals who work as a full-time
33 employee in rural areas, small towns, or rural municipalities in New
34 York state and who agree to work in such areas for a period of five
35 consecutive years. A healthcare professional may be deemed to be prac-
36 ticing in a rural area, small town, or rural municipality if they prac-
37 tice in a facility or practice that primarily serves a rural area, small
38 town, or rural municipality.

39 (c) Loan repayment awards made under this section shall not exceed the
40 total qualifying outstanding debt of the healthcare professional from
41 student loans to cover tuition and other related educational expenses,
42 made by or guaranteed by the federal or state government, or made by a
43 lending or educational institution approved under title IV of the feder-
44 al higher education act. Loan repayment awards shall be used solely to
45 repay such outstanding debt.

46 (d) Healthcare professionals shall be eligible for a loan repayment
47 award to be determined by the commissioner over a five-year period
48 distributed as follows: twenty percent of total award for the first
49 year; twenty percent of total award for the second year; twenty percent
50 of total award for the third year; twenty percent of total award for the
51 fourth year; and any unpaid balance of the total award not to exceed the
52 maximum award amount for the fifth year.

53 (e) In the event that a five-year commitment under this section is not
54 fulfilled, the recipient shall be responsible for repayment of amounts
55 paid which shall be calculated in accordance with the formula set forth
56 in subdivision (b) of section two hundred fifty-four-o of title forty-

1 two of the United States Code, as amended, or any regulations made there-
2 under.

3 2. To develop a streamlined application process for the healthcare
4 professional loan repayment program set forth under this section, the
5 department shall appoint a stakeholder work group from recommendations
6 made by associations representing healthcare professionals, general
7 hospitals and other healthcare facilities. Such recommendations shall be
8 made by September thirtieth, two thousand twenty-six.

9 3. The commissioner is authorized to apply any funds available for
10 purposes of subdivision one of this section for use as matching funds
11 for any available federal grants for the purpose of assisting states in
12 operating loan repayment programs.

13 4. The commissioner may postpone, change or waive the service obli-
14 gation and repayment amounts set forth in subdivisions one and three of
15 this section, respectively, in individual circumstances where there is
16 compelling need or hardship.

17 5. In order to be eligible to receive a loan repayment award under
18 this section, a healthcare professional must meet site and service
19 eligibility criteria as determined by the commissioner.

20 6. In the event there are undistributed funds within amounts made
21 available for distributions under this section, such funds shall be
22 reallocated and distributed in current or subsequent distribution peri-
23 ods in a manner determined by the commissioner for the purpose set forth
24 in this section.

25 § 927. Rural healthcare professional tax credit program. 1. The
26 commissioner shall establish a program to certify eligible healthcare
27 professionals for a refundable tax credit under subsection (uuu) of
28 section six hundred six of the tax law.

29 2. (a) An applicant must be a healthcare professional licensed under
30 article one hundred thirty-one, one hundred thirty-one-b, one hundred
31 thirty-three, one hundred thirty-six, one hundred thirty-seven, one
32 hundred thirty-seven-a, one hundred thirty-nine, one hundred fifty-six,
33 or one hundred sixty-three of the education law.

34 (b) The applicant must pledge, in a form prescribed by the commission-
35 er, to practice for no fewer than five years in a rural area, small
36 town, or rural municipality, provided, however that wages earned shall
37 mean gross taxable wages attributable to direct patient care services
38 rendered in such underserved area.

39 (c) In the event a healthcare professional fails to complete the
40 required service period, the commissioner shall establish rules requir-
41 ing repayment of previously claimed credits, provided that such repay-
42 ment may be prorated to reflect each year of service completed.

43 3. (a) The commissioner shall develop an application process and form.
44 The form shall include the following: (i) certification of professional
45 licensure under subdivision two of this section; (ii) identification of
46 the underserved area of intended practice; and (iii) a signed pledge to
47 practice for the required service period of no less than five years.

48 (b) Upon submission of the application by the applicant and approval
49 by the commissioner, the department shall issue a certificate of tax
50 credit to the applicant, specifying the credit amount for which the
51 applicant is eligible. The certificate shall specify the exact amount of
52 the tax credit under this section that a healthcare professional may
53 claim, pursuant to this section and the service year.

54 (c) The certificate shall be submitted by the applicant to the depart-
55 ment of taxation and finance as part of the applicant's tax filing.

1 4. (a) For eligible healthcare professionals, including licensed
2 physicians, physician assistants, dentists, physical therapists, pharma-
3 cists, occupational therapists, and mental health practitioners, the
4 applicable credit amount shall be equal to fifteen percent of wages
5 earned, not to exceed fifteen thousand dollars per year; for eligible
6 healthcare professionals licensed as registered nurses, licensed practi-
7 cal nurses, and other professionals as designated by the commissioner,
8 the applicable credit amount shall equal to ten percent of wages earned
9 in an underserved area, not to exceed ten thousand dollars annually.

10 (b) No credit shall be claimed unless the department has certified the
11 healthcare professional as eligible.

12 (c) The total aggregate amount of credits issued under this section in
13 any taxable year shall not exceed one hundred million dollars. The
14 commissioner shall allocate credits in a manner that prioritizes areas
15 with the highest documented provider shortages.

16 5. On or before December thirty-first of each year, the commissioner
17 shall provide a written report to the governor, the temporary president
18 of the senate, the minority leader of the senate, the speaker of the
19 assembly, the minority leader of the assembly, the chair of the senate
20 finance committee, the ranking member of the senate finance committee,
21 the chair of the assembly ways and means committee, and the ranking
22 member of the assembly ways and means committee. Such report shall
23 include how the credits were utilized during the preceding calendar
24 year, including, but not limited to, the following: the aggregate amount
25 of credits issued; the number of recipients of such credit; the amount
26 credited to each, excluding identifying personal information of recipi-
27 ents; the purposes for which such credit was awarded; the geographic
28 distribution of such credit; compliance rates; and, as necessary, any
29 other information the commissioner deems appropriate.

30 § 928. Rules and regulations. The commissioner shall promulgate regu-
31 lations necessary to effectuate the provisions and purposes of this
32 article, including requirements for proof of rural practice and proced-
33 ures for monitoring compliance with the requirements of this article.

34 § 3. Section 606 of the tax law is amended by adding a new subsection
35 (uuu) to read as follows:

36 (uuu) Rural healthcare professional tax credit. (1) Allowance of cred-
37 it. A taxpayer who has been issued a certificate of credit by the
38 commissioner of health under section nine hundred twenty-seven of the
39 public health law shall be allowed a credit against the tax imposed by
40 this article in the amount certified by the department of health,
41 subject to the applicable caps and percentages set forth in such certif-
42 icate.

43 (2) Certification requirement. No credit shall be allowed under this
44 section unless the taxpayer submits a valid certification of credit
45 issued pursuant to section nine hundred twenty-seven of the public
46 health law.

47 (3) Application of credit. If the amount of the credit allowed under
48 this subsection for any taxable year exceeds the taxpayer's tax for such
49 year, the excess shall be treated as an overpayment of tax to be credit-
50 ed or refunded in accordance with the provisions of section six hundred
51 eighty-six of this article, provided, however, that no interest shall be
52 paid thereon.

53 § 4. This act shall take effect immediately and shall apply to wages
54 earned in taxable years commencing on or after January first following
55 such effective date.