HB133 ENROLLED

1 W12A9E-3
2 By Representatives Rafferty, Daniels
3 RFD: Ways and Means Education
4 First Read: 21-Mar-23
5 2023 Regular Session
Enrolled, An Act,

Relating to state income tax; to establish the Preceptor Tax Incentive Program to provide income tax credit incentives for certain medical students who train in rural and underserved counties in the state.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Preceptor Tax Incentive Program Act.

Section 2. For the purposes of this act, the following terms have the following meanings:

(1) CLINICAL PRECEPTORSHIP. A clinical educational or training rotation for a student in any of the following programs that are physically located in this state and approved by and provided through a qualified health professions training program, for which the community-based faculty preceptor, also physically located in this state, is otherwise not compensated for the preceptorship:

a. A medical allopathic or osteopathic program.
b. A dental program.
c. An optometric program.
d. A physician assistant program.
e. An anesthesia assistant program.
f. A certified registered nurse practitioner program.
g. A certified nurse midwife program.
h. A certified registered nurse anesthetist program.

(2) COMMUNITY-BASED ADVANCE PRACTICE NURSE PRECEPTOR. A
certified registered advance practice nurse licensed under Chapter 21 of Title 34, Code of Alabama 1975, who provides medical services in a health care facility that is physically located in this state and not owned or operated by a qualified nursing, medical, or osteopathic school and who, through an agreement with a qualified nursing school physically located in this state, provides one or more clinical preceptorships for training to students in a certified registered nurse practitioner, certified nurse midwife, or certified registered nurse anesthetist program for which he or she receives no monetary compensation.

(3) COMMUNITY-BASED ASSISTANT TO PHYSICIAN PRECEPTOR. An assistant to physician licensed under Chapter 24 of Title 34, Code of Alabama 1975, and practicing pursuant to a registration agreement with a licensed physician, who provides medical services in a health care facility that is physically located in this state and not owned or operated by a qualified medical, nursing, or osteopathic school and who, through an agreement with a qualified health professions program physically located in this state, provides one or more clinical preceptorships for students in a physician assistant or anesthesia assistant program for which he or she receives no monetary compensation.

(4) COMMUNITY-BASED FACULTY PRECEPTOR. A community-based advance practice nurse preceptor; community-based assistant to physician preceptor; or community-based physician, dentist, or optometrist preceptor.

(5) COMMUNITY-BASED PHYSICIAN, DENTIST, OR OPTOMETRIST
PRECEPTOR. A physician licensed under Chapter 24 of Title 34, Code of Alabama 1975; a dentist licensed under Chapter 9 of Title 34, Code of Alabama 1975; or an optometrist licensed under Chapter 22 of Title 34, Code of Alabama 1975, who provides medical services in a health care facility that is physically located in this state and not owned or operated by a qualified medical, dental, optometric, nursing, or osteopathic school and who, through an agreement with a qualified medical school physically located in this state, provides one or more clinical preceptorships for students in a medical program, dental program, optometric program, physician assistant program, anesthesia assistant program, or certified registered nurse practitioner, certified nurse midwife, or certified registered nurse anesthetist program for which he or she receives no monetary compensation.

(6) MEDICALLY UNDERSERVED RURAL AREA. A primary care service area with a deficit, or surplus of less than 2.0 primary-care physicians, as shown by the most-recent Status Report of the Alabama Primary Care Physician Workforce from the Office for Family Health Education and Research at the UAB Huntsville Regional Medical Campus.

(7) PROGRAM. The Preceptor Tax Incentive Program.

(8) QUALIFIED HEALTH PROFESSIONS TRAINING PROGRAM. An institution of higher education that is physically located in this state and has an accredited educational program for medicine, dentistry, optometry, physician assistants, anesthesia assistants, or certified registered nurse practitioners, certified nurse midwives, or certified
registered nurse anesthetists.

Section 3. (a)(1) The Alabama Statewide Area Health Education Center Program Office shall administer the program and certify clinical preceptorships on behalf of all eligible qualified health professions training programs.

(2) A clinical preceptorship may not be certified as eligible under the program unless the clinical preceptorship is performed in a medically underserved rural area.

(b)(1) Prior to the certification of any clinical preceptorship, the Alabama Statewide Area Health Education Center Program Office shall conduct a needs assessment of the current number and current need for community-based faculty preceptors in the state and submit a final report of the assessment to the Governor, Speaker of the House of Representatives, President Pro-Tempore of the Senate, the Chairs of the Senate Healthcare and House Health Committees, and the Chairs of the Senate Committee on Finance and Taxation Education and the House Ways and Means Education Committees.

(2) The Alabama Statewide Area Health Education Center Program Office shall consult with the Alabama Commission on the Evaluation of Services to develop the appropriate measures and methodology for conducting the needs assessment.

Section 4. (a)(1) Beginning with the 2024 tax year, a community-based faculty preceptor, if he or she conducts a clinical preceptorship, shall be allowed a credit against the tax imposed by Section 40-18-2, Code of Alabama 1975, in the following amounts:

a. A community-based physician, dentist, or optometrist
preceptor shall be allowed a credit of five hundred dollars ($500) per rotation, up to an annual maximum of six thousand dollars ($6,000).

b. A community-based assistant to physician preceptor shall be allowed a credit of four hundred twenty-five dollars ($425) per rotation, up to an annual maximum of five thousand one hundred dollars ($5,100).

c. A community-based advance practice nurse preceptor shall be allowed a credit of four hundred twenty-five dollars ($425) per rotation, up to an annual maximum of five thousand one hundred dollars ($5,100).

(2) An individual may not accrue more than 12 clinical preceptorships in any combination of the above categories in one calendar year.

(b) A community-based faculty preceptor may not earn hours credited toward the tax credit pursuant to subsection (a) unless the clinical preceptorship has been certified by the Alabama Statewide Area Health Education Center Program Office as eligible for the credit.

(c)(1) To receive the credit provided by this act, a community-based faculty preceptor shall claim the credit on his or her state income tax return for the tax year in which he or she completed the clinical preceptorship rotation; shall certify that he or she, and the health care center or facility through which he or she is employed, did not receive monetary payment during the tax year from any source for the training of medical, optometry, dental, physician assistant, anesthesia assistant, or certified registered nurse practitioner,
certified nurse midwife, and certified registered nurse anesthetist students; and shall submit supporting documentation, including certification obtained from the Alabama Statewide Area Health Education Center Program Office, to the Department of Revenue.

(2) Failure to provide the required documents shall result in the automatic denial of the credit.

(d) In no event shall the total amount of the tax credit provided by this section for a taxable year exceed the income tax liability of the taxpayer. No tax credit shall be allowed the taxpayer against his or her tax liability for prior or succeeding years.

(e) Adjudication of possible filing errors or violations of this act shall be determined by the Department of Revenue.

Section 5. The Alabama Statewide Area Health Education Center Program Office shall do both of the following:

(1) Issue to an eligible taxpayer a credit certificate to indicate the number of approved preceptor rotations and other information required by the Department of Revenue to certify the credit being claimed.

(2) Submit an annual informational report to the Department of Revenue by January 31 annually, which provides all taxpayer issued certificates with information required by the Department of Revenue for credit verification.

Section 6. (a) Annually, on or before the first day of December, the Alabama Statewide Area Health Education Center Program Office shall report on the condition, performance, and
accomplishments of the program to the Governor, Speaker of the
House of Representatives, President Pro-Tempore of the Senate,
the Chairs of the Senate Healthcare and House Health
Committees, and the Chairs of the Senate Committee on Finance
and Taxation Education and the House Ways and Means Education
Committees.

(b) The Alabama Statewide Area Health Education Center
Program Office shall consult with the Alabama Commission on
the Evaluation of Services to develop performance metrics and
other measures of success to include in the annual report
required pursuant to subsection (a). During the 2030 fiscal
year, the program shall undergo an evaluation by the Alabama
Commission on the Evaluation of Services to determine whether
the program is impacting the determined measures of success.

Section 7. The Department of Revenue may adopt rules
for the implementation and administration of this act.

Section 8. This act shall be repealed on September 29,
2031, unless extended by act of the Legislature

Section 9. This act shall become effective on the first
day of the third month following its passage and approval by
the Governor, or its otherwise becoming law.
HB133 Enrolled

Speaker of the House of Representatives

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John Treadwell
Clerk

President and Presiding Officer of the Senate

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House of Representatives

I hereby certify that the within Act originated in and was passed by the House 25-Apr-23, as amended.

John Treadwell
Clerk

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Senate 01-Jun-23  Passed

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House 06-Jun-23  Passed