

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



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1 Enrolled, An Act,

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

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

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

- 20 a. A medical allopathic or osteopathic program.
21 b. A dental program.
22 c. An optometric program.
23 d. A physician assistant program.
24 e. An anesthesia assistant program.
25 f. A certified registered nurse practitioner program.
26 g. A certified nurse midwife program.
27 h. A certified registered nurse anesthetist program.

28 (2) COMMUNITY-BASED ADVANCE PRACTICE NURSE PRECEPTOR. A



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29 certified registered advance practice nurse licensed under
30 Chapter 21 of Title 34, Code of Alabama 1975, who provides
31 medical services in a health care facility that is physically
32 located in this state and not owned or operated by a qualified
33 nursing, medical, or osteopathic school and who, through an
34 agreement with a qualified nursing school physically located
35 in this state, provides one or more clinical preceptorships
36 for training to students in a certified registered nurse
37 practitioner, certified nurse midwife, or certified registered
38 nurse anesthetist program for which he or she receives no
39 monetary compensation.

40 (3) COMMUNITY-BASED ASSISTANT TO PHYSICIAN PRECEPTOR.
41 An assistant to physician licensed under Chapter 24 of Title
42 34, Code of Alabama 1975, and practicing pursuant to a
43 registration agreement with a licensed physician, who provides
44 medical services in a health care facility that is physically
45 located in this state and not owned or operated by a qualified
46 medical, nursing, or osteopathic school and who, through an
47 agreement with a qualified health professions program
48 physically located in this state, provides one or more
49 clinical preceptorships for students in a physician assistant
50 or anesthesia assistant program for which he or she receives
51 no monetary compensation.

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

56 (5) COMMUNITY-BASED PHYSICIAN, DENTIST, OR OPTOMETRIST



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57 PRECEPTOR. A physician licensed under Chapter 24 of Title 34,
58 Code of Alabama 1975; a dentist licensed under Chapter 9 of
59 Title 34, Code of Alabama 1975; or an optometrist licensed
60 under Chapter 22 of Title 34, Code of Alabama 1975, who
61 provides medical services in a health care facility that is
62 physically located in this state and not owned or operated by
63 a qualified medical, dental, optometric, nursing, or
64 osteopathic school and who, through an agreement with a
65 qualified medical school physically located in this state,
66 provides one or more clinical preceptorships for students in a
67 medical program, dental program, optometric program, physician
68 assistant program, anesthesia assistant program, or certified
69 registered nurse practitioner, certified nurse midwife, or
70 certified registered nurse anesthetist program for which he or
71 she receives no monetary compensation.

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

78 (7) PROGRAM. The Preceptor Tax Incentive Program.

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



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85 registered nurse anesthetists.

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

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

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

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

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

112 a. A community-based physician, dentist, or optometrist



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113 preceptor shall be allowed a credit of five hundred dollars
114 (\$500) per rotation, up to an annual maximum of six thousand
115 dollars (\$6,000).

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

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

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

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

132 (c) (1) To receive the credit provided by this act, a
133 community-based faculty preceptor shall claim the credit on
134 his or her state income tax return for the tax year in which
135 he or she completed the clinical preceptorship rotation; shall
136 certify that he or she, and the health care center or facility
137 through which he or she is employed, did not receive monetary
138 payment during the tax year from any source for the training
139 of medical, optometry, dental, physician assistant, anesthesia
140 assistant, or certified registered nurse practitioner,



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141 certified nurse midwife, and certified registered nurse
142 anesthetist students; and shall submit supporting
143 documentation, including certification obtained from the
144 Alabama Statewide Area Health Education Center Program Office,
145 to the Department of Revenue.

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

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

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

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

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

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

166 Section 6. (a) Annually, on or before the first day of
167 December, the Alabama Statewide Area Health Education Center
168 Program Office shall report on the condition, performance, and



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169 accomplishments of the program to the Governor, Speaker of the
170 House of Representatives, President Pro-Tempore of the Senate,
171 the Chairs of the Senate Healthcare and House Health
172 Committees, and the Chairs of the Senate Committee on Finance
173 and Taxation Education and the House Ways and Means Education
174 Committees.

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

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

185 Section 8. This act shall be repealed on September 29,
186 2031, unless extended by act of the Legislature

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



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

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

Senate **01-Jun-23** Passed

House **06-Jun-23** Passed