

SB186 INTRODUCED



1 8TW42F-1
2 By Senator Weaver
3 RFD: Finance and Taxation Education
4 First Read: 06-Apr-23
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SYNOPSIS:

This bill would establish the Preceptor Tax Incentive Program to provide an opportunity for students enrolled in certain health professions training programs to train in rural and underserved counties in the state and to address primary care shortages in the state.

This bill would provide an income tax credit incentive of \$500 for each 160-hour clinical preceptorship rotation per calendar year for an otherwise unpaid community-based faculty preceptor physician for the following types of students: Medical allopathic or osteopathic, dental, and optometric.

This bill would also provide an income tax credit incentive of \$425 for each 160-hour clinical preceptorship rotation per calendar year for an otherwise unpaid community-based certified registered nurse practitioner, certified nurse midwife, certified registered nurse anesthetist, or physician assistant.

A BILL
TO BE ENTITLED
AN ACT



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

33 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

34 Section 1. (a) The Preceptor Tax Incentive Program is
35 created.

36 (b) For the purposes of this section, the following
37 terms shall have the following meanings:

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

- 45 a. A medical allopathic or osteopathic program.
- 46 b. A dental program.
- 47 c. An optometric program.
- 48 d. A physician assistant program.
- 49 e. A nurse practitioner program.
- 50 f. A nurse midwife program.
- 51 g. A nurse anesthetist program.

52 (2) COMMUNITY-BASED FACULTY PRECEPTOR. A physician,
53 advanced practice nurse, or physician assistant who is
54 licensed in this state and receives no financial compensation
55 from any source for the teaching of students in a medical
56 program, dental program, optometric program, physician



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57 assistant program, or nurse practitioner, nurse midwife, or
58 nurse anesthetist program.

59 (3) COMMUNITY-BASED NURSE PRACTITIONER PRECEPTOR. A
60 certified registered nurse practitioner licensed under Chapter
61 21 of Title 34, Code of Alabama 1975, who provides medical
62 services in a health care facility that is physically located
63 in this state and not owned or operated by a qualified
64 nursing, medical, or osteopathic school and who, through an
65 agreement with a qualified nursing school physically located
66 in this state, provides one or more clinical preceptorships
67 for training to students in a nurse practitioner, nurse
68 midwife, or nurse anesthetist program for which he or she
69 receives no monetary compensation.

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

80 (5) COMMUNITY-BASED PHYSICIAN, DENTIST, OR OPTOMETRY
81 PRECEPTOR. A physician licensed under Chapter 24 of Title 34,
82 Code of Alabama 1975; a dentist licensed under Chapter 9 of
83 Title 34, Code of Alabama 1975; or an optometrist licensed
84 under Chapter 22 of Title 34, Code of Alabama 1975, who



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85 provides medical services in a health care facility that is
86 physically located in this state and not owned or operated by
87 a qualified medical, dental, optometric, nursing, or
88 osteopathic school and who, through an agreement with a
89 qualified medical school physically located in this state,
90 provides one or more clinical preceptorships for students in a
91 medical program, dental program, optometric program, physician
92 assistant program, or nurse practitioner, nurse midwife, or
93 nurse anesthetist program for which he or she receives no
94 monetary compensation.

95 (6) HEALTH PROFESSIONAL SHORTAGE AREA. Areas of the
96 state that are designated by the Health Resources and Services
97 Administration as having shortages of primary medical care,
98 dental care, or mental health care providers. A shortage area
99 may be geographic-based, population-based, or facility-based.
100 Health professional shortage area scores are based on
101 discipline-specific methodology, however, three scoring
102 criteria are common across all health professional shortage
103 area disciplines:

- 104 a. Population to provider ratio.
- 105 b. Percentage of the population below 100 percent of
106 the federal poverty level.
- 107 c. Travel time to the nearest source of care outside
108 the designated shortage area.

109 (7) MEDICALLY UNDERSERVED AREA and MEDICALLY
110 UNDERSERVED POPULATION.

111 a. An area or population in this state identified by
112 the Health Resources and Services Administration Agency of the



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113 United States Department of Health and Human Services as a
114 geographic area and population with a lack of access to
115 primary care services based on the following established
116 indicators:

117 1. Provider per 1,000 population ratio.

118 2. Percentage of population at 100 percent of the
119 federal poverty level.

120 3. Percentage of population age 65 and older.

121 4. Infant mortality rate.

122 b. A calculated index of medical underservice score of
123 62.0 or below qualifies for designation as a medically
124 underserved area or medically underserved population.

125 (8) PROGRAM. The Preceptor Tax Incentive Program.

126 (9) QUALIFIED HEALTH PROFESSIONS TRAINING PROGRAM. An
127 institution of higher education that is physically located in
128 this state and has an accredited educational program for
129 medicine, dentistry, optometry, physician assistants, or nurse
130 practitioners, nurse midwives, and nurse anesthetists.

131 (10) RURAL AREA. As defined by the United States Census
132 Bureau, in the context of health care, health data, and the
133 location of health care services, all population, housing, and
134 territory not included within a state-urbanized area with a
135 population of 50,000 or more.

136 (c) (1) Beginning with the 2023 tax year, a
137 community-based physician, dentist, or optometry preceptor,
138 community-based physician assistant preceptor, or
139 community-based nurse practitioner, nurse midwife, or nurse
140 anesthetist preceptor physically located in this state shall



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141 be allowed a credit against the tax imposed by Section
142 40-18-2, Code of Alabama 1975, if he or she conducts an unpaid
143 clinical preceptorship, in the following amounts:

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

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

152 c. A community-based nurse practitioner, certified
153 nurse midwife, or certified registered nurse anesthetist
154 preceptor shall be allowed a credit of four hundred
155 twenty-five dollars (\$425) per rotation, up to an annual
156 maximum of five thousand one hundred dollars (\$5,100).

157 (2) An individual shall not accrue more than 12
158 clinical preceptorships of any of the above categories in one
159 calendar year.

160 (3) A community-based faculty preceptor shall not be
161 eligible to earn hours credited toward a clinical
162 preceptorship tax credit if he or she has not registered with
163 the Alabama Statewide Area Health Education Center Program
164 Office in Birmingham, Alabama.

165 (4) The Alabama Statewide Area Health Education Center
166 Program Office shall administer the program and certify
167 clinical preceptorship rotations on behalf of all eligible
168 public and private training programs for medicine, optometry,



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169 and dental physician assistant, or nurse practitioner, nurse
170 midwife, and nurse anesthetist programs physically located in
171 this state.

172 (5) To receive the credit provided by this section, a
173 community-based faculty preceptor shall claim the credit on
174 his or her state income tax return for the tax year in which
175 he or she completed the clinical preceptorship rotation; shall
176 certify that he or she, and the health care center or facility
177 through which he or she is employed, did not receive monetary
178 payment during the tax year from any source for the training
179 of medical, optometry, and dental physician assistant, or
180 nurse practitioner, nurse midwife, and nurse anesthetist
181 students; and shall submit supporting documentation to the
182 Department of Revenue.

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

188 (d) Adjudication of possible filing errors or
189 violations of the law shall be determined by the Department of
190 Revenue.

191 Section 2. This act shall become effective on the first
192 day of the third month following its passage and approval by
193 the Governor, or its otherwise becoming law.

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