

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 689

101ST GENERAL ASSEMBLY

1540H.02P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to limited tax credits for certain medical education-related preceptorships.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.690, to read as follows:

135.690. 1. As used in this section, the following terms mean:

(1) "Community-based faculty preceptor", a physician or physician assistant who is licensed in Missouri and provides preceptorships to Missouri medical students or physician assistant students without direct compensation for the work of precepting;

(2) "Department", the Missouri department of revenue;

(3) "Division", the division of professional registration of the Missouri department of commerce and insurance;

(4) "Federally Qualified Health Center (FQHC)", a reimbursement designation from the Bureau of Primary Health Care and the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services;

(5) "Medical student", an individual enrolled in a Missouri medical college approved and accredited as reputable by the American Medical Association or the Liaison Committee on Medical Education or enrolled in a Missouri osteopathic college approved and accredited as reputable by the American Osteopathic Association;

(6) "Medical student core preceptorship" or "physician assistant student core preceptorship", a preceptorship for a medical student or physician assistant student that provides a minimum of one hundred twenty hours of community-based instruction in

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

18 family medicine, internal medicine, pediatrics, psychiatry, or obstetrics and gynecology,
19 under the guidance of a community-based faculty preceptor. A community-based faculty
20 preceptor may add together the amounts of preceptorship instruction time separately
21 provided to multiple students in determining whether he or she has reached the minimum
22 hours required under this subdivision, but the total preceptorship instruction time
23 provided shall equal at least one hundred twenty hours in order for such preceptor to be
24 eligible for the tax credit authorized under this section;

25 (7) "Physician assistant student", an individual participating in a Missouri
26 physician assistant program accredited by the Commission on Accreditation of Allied
27 Health Education Programs or its successor organization;

28 (8) "Taxpayer", any individual, firm, partner in a firm, corporation, or
29 shareholder in an S corporation doing business in this state and subject to the state income
30 tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191
31 to 143.265.

32 2. (1) Beginning January 1, 2022, any community-based faculty preceptor who
33 serves as the community-based faculty preceptor for a medical student core preceptorship
34 or a physician assistant student core preceptorship shall be allowed a credit against the tax
35 otherwise due under chapter 143, excluding withholding tax imposed under sections
36 143.191 to 143.265, in an amount equal to one thousand dollars for each preceptorship, up
37 to a maximum of three thousand dollars per tax year, if he or she completes up to three
38 preceptorship rotations during the tax year and did not receive any direct compensation
39 for the preceptorships.

40 (2) To receive the credit allowed by this section, a community-based faculty
41 preceptor shall claim such credit on his or her return for the tax year in which he or she
42 completes the preceptorship rotations and shall submit supporting documentation as
43 prescribed by the division and the department.

44 (3) In no event shall the total amount of a tax credit authorized under this section
45 exceed a taxpayer's income tax liability for the tax year for which such credit is claimed.
46 No tax credit authorized under this section shall be allowed a taxpayer against his or her
47 tax liability for any prior or succeeding tax year.

48 (4) No more than two hundred preceptorship tax credits shall be authorized under
49 this section for any one calendar year. The tax credits shall be awarded on a first-come,
50 first-served basis. The division and the department shall jointly promulgate rules for
51 determining the manner in which taxpayers who have obtained certification under this
52 section are able to claim the tax credit. The cumulative amount of tax credits awarded
53 under this section shall not exceed two hundred thousand dollars per year.

54 **(5) Notwithstanding the provisions of subdivision (4) of this subsection, the division**
55 **is authorized to exceed the two hundred thousand dollars per year tax credit program cap**
56 **in any amount not to exceed the amount of funds remaining in the medical preceptor fund,**
57 **as established under subsection 3 of this section, as of the end of the most recent tax year,**
58 **after any required transfers to the general revenue fund have taken place in accordance**
59 **with the provisions of subsection 3 of this section.**

60 **3. (1) Funding for the tax credit program authorized under this section shall be**
61 **generated by the division from a license fee increase of seven dollars per license for**
62 **physicians and surgeons and from a license fee increase of three dollars per license for**
63 **physician assistants. The license fee increases shall take effect as of January 1, 2022, based**
64 **on the underlying license fee rates prevailing on that date. The underlying license fee rates**
65 **shall be determined under section 334.090 and all other applicable provisions of chapter**
66 **334.**

67 **(2) (a) There is hereby created in the state treasury the "Medical Preceptor Fund",**
68 **which shall consist of moneys collected under this subsection. The state treasurer shall be**
69 **custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer**
70 **may approve disbursements. The fund shall be a dedicated fund and, upon appropriation,**
71 **moneys in the fund shall be used solely by the division for the administration of the tax**
72 **credit program authorized under this section. Notwithstanding the provisions of section**
73 **33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall**
74 **not revert to the credit of the general revenue fund. The state treasurer shall invest**
75 **moneys in the medical preceptor fund in the same manner as other funds are invested.**
76 **Any interest and moneys earned on such investments shall be credited to the fund.**

77 **(b) Notwithstanding any provision of this chapter or any other provision of law to**
78 **the contrary, all revenue from the license fee increases described under subdivision (1) of**
79 **this subsection shall be deposited in the medical preceptor fund. After the end of every tax**
80 **year, an amount equal to the total dollar amount of all tax credits claimed under this**
81 **section shall be transferred from the medical preceptor fund to the state's general revenue**
82 **fund established under section 33.543. Any excess moneys in the medical preceptor fund**
83 **shall remain in the fund and shall not be transferred to the general revenue fund.**

84 **4. (1) The division shall administer the tax credit program authorized under this**
85 **section and certify rotations for the tax credit. Each taxpayer claiming a tax credit under**
86 **this section shall file an affidavit with his or her income tax return, affirming that he or she**
87 **is eligible for the tax credit.**

88 **(2) No amount of any tax credit allowed under this section shall be refundable. No**
89 **tax credit allowed under this section shall be transferred, sold, or assigned. No taxpayer**

90 shall be eligible to receive the tax credit authorized under this section if such taxpayer
91 employs persons who are not authorized to work in the United States under federal law.

92 5. The department of commerce and insurance and the department of revenue shall
93 jointly promulgate rules to implement the provisions of this section. Any rule or portion
94 of a rule, as that term is defined in section 536.010, that is created under the authority
95 delegated in this section shall become effective only if it complies with and is subject to all
96 of the provisions of chapter 536 and, if applicable, section 536.028. This section and
97 chapter 536 are nonseverable, and if any of the powers vested with the general assembly
98 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
99 a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
100 any rule proposed or adopted after August 28, 2021, shall be invalid and void.

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