

HOUSE BILL NO. 2036

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE PATTERSON.

4136H.011

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 a Missouri medical student or physician assistant student without direct compensation for the work of precepting;

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

(3) "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;

(4) "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;

(5) "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 family medicine, internal medicine, pediatrics, psychiatry, or obstetrics and gynecology,

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 under the guidance of a community-based faculty preceptor, and provided in a rural area
19 as defined in this subsection or with a Missouri FQHC. 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 must equal at least one hundred twenty hours in order for such preceptor to be
24 eligible for this tax credit authorized under this section;

25 (6) "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 (7) "Rural Area", a county that does not have a population density greater than
29 one hundred fifty persons per square mile and any county that contains at least part of the
30 central city of any Metropolitan Statistical Area (MSA) based on applicable guidelines
31 published by the United States Census Bureau;

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

36 2. (1) Beginning January 1, 2021, any community-based faculty preceptor who
37 serves as the community-based faculty preceptor for a medical student core preceptorship
38 or a physician assistant student core preceptorship shall be allowed a credit against the tax
39 otherwise due under chapter 143, excluding withholding tax imposed under sections
40 143.191 to 143.265, in an amount equal to one thousand dollars for each preceptorship, up
41 to a maximum of three thousand dollars per tax year, if he or she completes up to three
42 preceptorship rotations during the tax year and did not receive any direct compensation
43 for the preceptorships.

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

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

52 (4) No more than two hundred preceptorship tax credits shall be authorized by the
53 division under this section for any one calendar year. The tax credits shall be awarded on

54 a first-come, first-served basis. The division shall promulgate rules for determining the
55 manner in which taxpayers who have obtained certification under this section are able to
56 claim the tax credit. To the greatest extent possible consistent with the provisions of this
57 subdivision, community-based faculty preceptors who provide preceptorships in rural
58 areas of Missouri shall be given first priority for awards of the tax credit. The cumulative
59 amount of tax credits awarded under this section shall not exceed two hundred thousand
60 dollars per year.

61 (5) Notwithstanding the provisions of subdivision (4) of this subsection, the division
62 is authorized to exceed the two hundred thousand dollar per year tax credit program cap
63 in any amount not to exceed the amount of funds remaining in the Medical Preceptor
64 Fund, as established under subsection 3 of this section, as of the end of the most recent tax
65 year, after any required transfers to the general revenue fund have taken place in
66 accordance with the provisions of subsection 3 of this section.

67 3. (1) Funding for the tax credit program authorized under this section shall be
68 generated from a license fee increase of seven dollars per license for physicians and
69 surgeons and from a license fee increase of three dollars per license for physician
70 assistants. The license fee increases shall take effect as of January 1, 2021, based on the
71 underlying license fee rates prevailing on that date. The underlying license fee rates shall
72 be determined under section 334.090 and all other applicable provisions of chapter 334.

73 (2) (a) There is hereby created in the state treasury the "Medical Preceptor Fund",
74 which shall consist of moneys collected under this subsection. The state treasurer shall be
75 custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer
76 may approve disbursements. The fund shall be a dedicated fund and, upon appropriation,
77 moneys in the fund shall be used solely by the division for the administration of the tax
78 credit program authorized under this section. Notwithstanding the provisions of section
79 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall
80 not revert to the credit of the general revenue fund. The state treasurer shall invest
81 moneys in the medical preceptor fund in the same manner as other funds are invested.
82 Any interest and moneys earned on such investments shall be credited to the fund.

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

90 **4. (1) The division shall administer the tax credit program authorized under this**
91 **section and certify rotations for the tax credit. Each taxpayer claiming a tax credit under**
92 **this section shall file an affidavit with his or her income tax return, affirming that he or she**
93 **is eligible for the tax credit.**

94 **(2) No amount of any tax credit allowed under this section shall be refundable. No**
95 **tax credit allowed under this section shall be transferred, sold, or assigned. No taxpayer**
96 **shall be eligible to receive the tax credit authorized under this section if such taxpayer**
97 **employs persons who are not authorized to work in the United States under federal law.**

98 **5. The department of commerce and insurance and the department of revenue shall**
99 **jointly promulgate rules to implement the provisions of this section. Any rule or portion**
100 **of a rule, as that term is defined in section 536.010, that is created under the authority**
101 **delegated in this section shall become effective only if it complies with and is subject to all**
102 **of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
103 **chapter 536 are nonseverable, and if any of the powers vested with the general assembly**
104 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
105 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority and**
106 **any rule proposed or adopted after August 28, 2020, shall be invalid and void.**

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