

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 16-0308.01 Bob Lackner x4350

HOUSE BILL 16-1142

HOUSE SPONSORSHIP

Buck and Ginal,

SENATE SPONSORSHIP

Crowder and Cooke,

House Committees

Public Health Care & Human Services
Finance
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A CREDIT AGAINST THE STATE INCOME**
102 **TAX FOR RURAL PRIMARY CARE PRECEPTORS TRAINING**
103 **STUDENTS MATRICULATING AT COLORADO INSTITUTIONS OF**
104 **HIGHER EDUCATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)

For income tax years commencing on or after January 1, 2017, but prior to January 1, 2020, the bill offers an income tax credit in the amount of \$1,000 to a health care professional who provides a preceptorship

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
3rd Reading Unamended
May 6, 2016

HOUSE
Amended 2nd Reading
May 5, 2016

during the applicable income tax year. A preceptorship is defined as a mentoring experience in which a preceptor provides a program of personalized instruction, training, and supervision for a total of not less than 4 weeks per calendar year that is offered to an eligible graduate student to enable the student to obtain an eligible professional degree.

The credit is available to a taxpayer who:

! Is licensed to practice one of a number of primary health care fields of medicine; and

! Practiced his or her primary health care field of medicine in a rural or frontier area during the portion of the income tax year for which the preceptor is claiming the tax credit.

The bill caps the number of preceptors that may claim the tax credit for any one income tax year at 300.

The bill specifies the manner in which the taxpayer is required to apply for the credit and procedures to be followed if a preceptor fails to satisfy the requirements of the bill for a particular tax year.

If the amount of the credit allowed exceeds the amount of the income tax otherwise due, the bill allows the balance to be carried forward and applied against the income tax due in each of the 5 succeeding income tax years.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-538 as
3 follows:

4 **39-22-538. Credit for health care preceptors working in health**
5 **professional shortage areas - legislative declaration - definitions -**

6 **repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS, DETERMINES, AND
7 DECLARES THAT:

8 (I) IT IS VITAL TO THE WELL-BEING, QUALITY OF LIFE, AND
9 ECONOMIC DEVELOPMENT OF THE ENTIRE STATE THAT EXCELLENT HEALTH
10 CARE BE AVAILABLE IN ALL REGIONS OF THE STATE, INCLUDING RURAL
11 AND FRONTIER AREAS;

12 (II) RURAL AREAS OF THE STATE CURRENTLY SUFFER FROM A
13 SHORTAGE OF PRIMARY HEALTH CARE PROVIDERS AND, AS A RESULT,
14 THESE COMMUNITIES EXPERIENCE REDUCED ACCESS TO SUCH PROVIDERS

1 AND POORER HEALTH CARE OUTCOMES; AND

2 (III) A CONSISTENT PROBLEM IS A LACK OF PROFESSIONAL
3 INSTRUCTION, TRAINING, AND SUPERVISION IN RURAL AND FRONTIER
4 AREAS THAT ALLOWS STUDENTS STUDYING PRIMARY CARE TO OBTAIN THE
5 REQUISITE PROFESSIONAL MENTORING AND SUPERVISION TO ALLOW THEM
6 TO PRACTICE IN SUCH AREAS UPON OBTAINING A PROFESSIONAL DEGREE.

7 (b) THE GENERAL ASSEMBLY INTENDS THAT THE TAX CREDIT
8 CREATED IN THIS SECTION IS TO BE USED TO PROVIDE SUFFICIENT
9 FINANCIAL INCENTIVES TO ENCOURAGE PRECEPTORS TO OFFER
10 PROFESSIONAL INSTRUCTION, TRAINING, AND SUPERVISION TO STUDENTS
11 SEEKING CAREERS AS PRIMARY HEALTH CARE PROVIDERS IN RURAL AND
12 FRONTIER AREAS OF THE STATE.

13 (c) THE GENERAL ASSEMBLY FURTHER INTENDS THAT THE TAX
14 CREDIT PROVIDE SUFFICIENT FINANCIAL INCENTIVES TO ENCOURAGE
15 PRECEPTORS TO OFFER PROFESSIONAL INSTRUCTION, TRAINING, AND
16 SUPERVISION TO STUDENTS MATRICULATING AT COLORADO INSTITUTIONS
17 OF HIGHER EDUCATION SEEKING CAREERS AS PRIMARY HEALTH CARE
18 PROVIDERS IN RURAL AND FRONTIER AREAS OF THE STATE.

19 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
20 REQUIRES:

21 (a) "AHEC" OR "AHEC PROGRAM" MEANS THE AREA HEALTH
22 EDUCATION CENTER.

23 (b) "FRONTIER AREA" MEANS A COUNTY IN THE STATE THAT HAS
24 A POPULATION DENSITY OF SIX OR FEWER INDIVIDUALS PER ONE SQUARE
25 MILE.

26 (c) "GRADUATE STUDENT" MEANS AN INDIVIDUAL MATRICULATING
27 AT THE GRADUATE LEVEL AT ANY ACCREDITED COLORADO INSTITUTION

1 OF HIGHER EDUCATION SEEKING A DEGREE EITHER IN THE AREAS OF
2 DOCTOR OF MEDICINE, DOCTOR OF OSTEOPATHY, ADVANCED NURSING
3 PRACTICE, DOCTOR OF DENTAL SURGERY, OR DOCTOR OF DENTAL
4 MEDICINE, OR AS A PHYSICIAN ASSISTANT.

5 (d) "PRECEPTOR" MEANS A MEDICAL DOCTOR, DOCTOR OF
6 OSTEOPATHIC MEDICINE, ADVANCED PRACTICE NURSE, PHYSICIAN
7 ASSISTANT, DOCTOR OF DENTAL SURGERY, OR DOCTOR OF DENTAL
8 MEDICINE WHO HAS BEEN LICENSED IN HIS OR HER PRIMARY HEALTH CARE
9 FIELD IN THE STATE BY THE APPLICABLE LICENSING AUTHORITY.

10 (e) "PRECEPTORSHIP" MEANS AN UNCOMPENSATED MENTORING
11 EXPERIENCE IN WHICH A PRECEPTOR PROVIDES A PROGRAM OF
12 PERSONALIZED INSTRUCTION, TRAINING, AND SUPERVISION FOR A TOTAL
13 OF NOT LESS THAN FOUR WEEKS PER CALENDAR YEAR THAT IS OFFERED TO
14 AN ELIGIBLE GRADUATE STUDENT TO ENABLE THE STUDENT TO OBTAIN AN
15 ELIGIBLE PROFESSIONAL DEGREE.

16 (f) "PRIMARY HEALTH CARE" MEANS HEALTH CARE PROVIDED BY
17 A HEALTH CARE PROFESSIONAL WITH WHOM A PATIENT HAS INITIAL
18 CONTACT, WHO IS THE PRINCIPAL POINT OF CONTINUING CARE FOR THE
19 PATIENT, AND WHO COORDINATES OTHER SPECIALIST CARE THAT THE
20 PATIENT MAY NEED.

21 (g) "RURAL AREA" MEANS A COUNTY THAT IS LOCATED IN A
22 NONMETROPOLITAN AREA IN THE STATE THAT EITHER HAS NO
23 MUNICIPALITY WITHIN ITS TERRITORIAL BOUNDARIES WITH FIFTY
24 THOUSAND OR MORE PERMANENT RESIDENTS BASED UPON THE MOST
25 RECENT POPULATION ESTIMATES PUBLISHED BY THE UNITED STATES
26 CENSUS BUREAU OR THAT SATISFIES ALTERNATE CRITERIA FOR THE
27 DESIGNATION OF A RURAL AREA AS MAY BE PROMULGATED BY THE

1 FEDERAL OFFICE OF MANAGEMENT AND BUDGET.

2 (h) "TAXPAYER" MEANS A PRECEPTOR WHO FILES AN INCOME TAX
3 RETURN UNDER THIS ARTICLE.

4 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
5 JANUARY 1, 2017, BUT PRIOR TO JANUARY 1, 2020, AND SUBJECT TO THE
6 REQUIREMENTS OF PARAGRAPH (b) OF THIS SUBSECTION (3), A TAXPAYER
7 IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
8 ARTICLE IN AN AMOUNT EQUAL TO ONE THOUSAND DOLLARS FOR A
9 PRECEPTORSHIP PROVIDED BY HIM OR HER DURING THE APPLICABLE
10 INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED.

11 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION:

12 (I) THE AGGREGATE AMOUNT OF THE CREDIT AWARDED TO ANY
13 ONE TAXPAYER UNDER THIS SECTION SHALL NOT EXCEED ONE THOUSAND
14 DOLLARS FOR ANY ONE INCOME TAX YEAR REGARDLESS OF THE NUMBER
15 OF PRECEPTORSHIPS UNDERTAKEN BY THE TAXPAYER DURING THE
16 APPLICABLE INCOME TAX YEAR OR THE NUMBER OF ELIGIBLE GRADUATE
17 STUDENTS THE TAXPAYER INSTRUCTS, TRAINS, OR SUPERVISES DURING THE
18 APPLICABLE INCOME TAX YEAR;

19 (II) A TAXPAYER IS ELIGIBLE TO CLAIM THE CREDIT ALLOWED BY
20 THIS SECTION IF HE OR SHE PERFORMS A PRECEPTORSHIP THAT LASTS A
21 TOTAL OF NOT LESS THAN FOUR WEEKS DURING THE INCOME TAX YEAR IN
22 WHICH THE CREDIT IS CLAIMED AND THE PRECEPTOR IS PRACTICING IN HIS
23 OR HER PRIMARY HEALTH CARE FIELD ■ IN A RURAL OR FRONTIER AREA;
24 AND

25 (III) NOT MORE THAN TWO HUNDRED PRECEPTORS ARE ENTITLED
26 TO CLAIM THE CREDIT AUTHORIZED BY THIS SECTION FOR ANY ONE INCOME
27 TAX YEAR. THE DEPARTMENT SHALL PROMULGATE BY RULE, IN

1 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., A METHOD FOR
2 DETERMINING THE MANNER IN WHICH TAXPAYERS WHO HAVE OBTAINED
3 CERTIFICATION UNDER SUBSECTION (4) OF THIS SECTION ARE ABLE TO
4 CLAIM THE TAX CREDIT.

5 (4) TO QUALIFY FOR THE CREDIT PROVIDED BY THIS SECTION, THE
6 TAXPAYER SHALL SUBMIT A CERTIFICATION FORM WITH EACH INCOME TAX
7 RETURN. CERTIFICATION MAY BE PROVIDED BY EITHER THE INSTITUTION
8 FOR WHICH THE TAXPAYER TEACHES, WHETHER IT IS AN INSTITUTION OF
9 HIGHER EDUCATION OR A HOSPITAL, CLINIC, OR OTHER MEDICAL FACILITY,
10 OR BY THE PARTICULAR REGIONAL OFFICE OF THE AHEC PROGRAM WITH
11 JURISDICTION OVER THE AREA IN WHICH THE PRECEPTOR'S MEDICAL
12 PRACTICE IS LOCATED. IN THE CASE OF CERTIFICATION BY AN INSTITUTION
13 FOR WHICH THE TAXPAYER TEACHES, THE INSTITUTION MUST EXECUTE THE
14 FORM CERTIFYING THAT THE TAXPAYER HAS SATISFIED THE
15 REQUIREMENTS FOR ALLOWANCE OF THE TAX CREDIT AS SPECIFIED IN THIS
16 SECTION. IN THE CASE OF CERTIFICATION BY THE AHEC PROGRAM, THE
17 CERTIFICATION FORM MUST BE OBTAINED FROM THE PARTICULAR
18 REGIONAL OFFICE OF THE AHEC PROGRAM WITH JURISDICTION OVER THE
19 AREA IN WHICH THE PRECEPTOR IS PRACTICING, WHICH OFFICE SHALL
20 CERTIFY THAT THE TAXPAYER HAS SATISFIED THE REQUIREMENTS FOR
21 ALLOWANCE OF THE TAX CREDIT AS SPECIFIED IN THIS SECTION. THE
22 AHEC PROGRAM MAY CHARGE THE TAXPAYER A REASONABLE FEE FOR
23 PROVIDING SUCH CERTIFICATION, WHICH FEE SHALL NOT EXCEED THE
24 ACTUAL COSTS INCURRED BY THE AHEC IN COMPLETING THE
25 CERTIFICATION.

26 (5) WHERE A TAXPAYER CLAIMS THE CREDIT PROVIDED BY THIS
27 SECTION BUT FAILS TO SATISFY THE REQUIREMENTS OF THIS SECTION

1 DURING THE INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED, THE
2 TAXPAYER SHALL REPAY THE ENTIRE AMOUNT OF THE TOTAL CREDIT THAT
3 IS ATTRIBUTED TO HIM OR HER PURSUANT TO THIS SECTION. THE
4 TAXPAYER SHALL REPORT THE RECAPTURE REQUIRED BY THIS SUBSECTION
5 (5) BY INCREASING HIS OR HER INCOME TAX LIABILITY BY THE AMOUNT OF
6 THE TOTAL CREDIT CLAIMED FOR THE YEAR IN WHICH THE RECAPTURE
7 OCCURS.

8 (6) IF THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
9 SECTION EXCEEDS THE AMOUNT OF THE INCOME TAX OTHERWISE DUE ON
10 THE TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE
11 CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN
12 OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS NOT
13 ALLOWED AS A REFUND BUT MAY BE CARRIED FORWARD AND APPLIED
14 AGAINST THE INCOME TAX DUE IN EACH OF THE FIVE SUCCEEDING INCOME
15 TAX YEARS, BUT MUST FIRST BE APPLIED AGAINST THE INCOME TAX DUE
16 FOR THE EARLIEST OF THE INCOME TAX YEARS POSSIBLE.

17 (7) NOTHING IN THIS SECTION MODIFIES OR CHANGES THE
18 DEFINITION OF "PUBLIC EMPLOYEE" SPECIFIED IN SECTION 24-10-103 (4)
19 (b) (II) AND (4) (b) (V), C.R.S.

20 (8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

21 **SECTION 2. Act subject to petition - effective date.** This act
22 takes effect at 12:01 a.m. on the day following the expiration of the
23 ninety-day period after final adjournment of the general assembly (August
24 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
25 referendum petition is filed pursuant to section 1 (3) of article V of the
26 state constitution against this act or an item, section, or part of this act
27 within such period, then the act, item, section, or part will not take effect

1 unless approved by the people at the general election to be held in
2 November 2016 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.