



Legislative Council Staff

Research Note

Version: Final

Date: 06/24/16

Bill Number

House Bill 16-1142

Sponsors

***Representatives Buck & Ginal,
Senators Crowder & Cooke***

Short Title

***Rural & Frontier Health Care
Preceptor Tax Credit***

Research Analyst

Anne Wallace (x4364)

Status

This research note reflects the final version of the bill and becomes effective August 10, 2016, if no referendum petition is filed.

Summary

This bill creates a state income tax credit for tax years 2017, 2018, and 2019, for licensed Colorado health care professionals who provide uncompensated personalized instruction, training, and supervision to one or more graduate students seeking a medical degree at a Colorado institution of higher education. Instruction, training, and supervision must last at least four weeks during the income tax year in which the credit is claimed. The credit is limited to 200 qualifying taxpayers each year at \$1,000 per taxpayer. This credit is non-refundable, meaning it is limited to a taxpayer's income tax liability. Credits in excess of this amount may be carried forward for up to five years.

A qualifying health care professional must be practicing in a designated rural or frontier county and must provide a certification form with their income tax return certifying that he or she has satisfied the requirements for the tax credit. The certification form may be provided by an institution of higher education, hospital, or area health education center (AHEC) located in the jurisdiction of the health care professional's practice. AHECs may charge a reasonable fee for providing the certification form.

Background

A preceptorship is a mentoring experience in which a practicing medical professional (preceptor) offers to give personal instruction, training, and supervision to a medical student,

This research note was prepared by Legislative Council Staff, the nonpartisan research staff for the Colorado General Assembly. The research note is provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly. Legislative Council Staff are not attorneys, and the research note is not a legal opinion. If you have legal questions about the bill, including questions about the meaning of the bill language or amendments, please contact the drafter.

usually for several weeks during a semester. Preceptors are not compensated for their mentoring, although some medical schools may offer ancillary benefits for participating. Preceptors are located across the state in various practice settings. The Colorado tax credit applies only to preceptors practicing in a rural or frontier area. A rural area is defined as a county that is located in a non-metropolitan area that has either no municipality within its territorial boundaries with fifty thousand or more permanent residents based on census bureau population estimates or that satisfies the criteria for designation of a rural area by the Federal Office of Management and Budget. A frontier area is a county that has a population density of six or fewer people per square mile. Currently, Georgia is the only other state to offer a tax credit for preceptors.

House Action

House Public Health and Human Services Committee (February 16, 2016). At the hearing, representatives from the Colorado Rural Health Center, Rocky Vista University, Regis University, Red Rocks Community College, the University of Colorado Department of Family Medicine, the Area Health Education Centers, and the University of Colorado School of Pharmacy testified in support of the bill. The committee adopted amendment L.001 and referred the bill, as amended, to the House Finance Committee. Amendment L.001 clarified that preceptors are uncompensated.

House Finance Committee (March 2, 2016). At the hearing, representatives from the Colorado Rural Health Center, the Colorado Dental Association, and the University of Colorado testified in support of the bill. The bill was laid over.

House Finance Committee (March 17, 2016). The committee adopted amendment L.003 and referred the bill, as amended, to the House Appropriations Committee. Amendment L.003 struck the House Public Health Care and Human Services Committee report and:

- clarified that preceptorships are uncompensated;
- defined primary health care to mean health care provided by a health care professional;
- defined rural area as a county with no municipalities with a population of 50,000 or more permanent residents, based on the latest Census Bureau estimates; and
- reduced the number of preceptors that may claim the tax to 200 in one tax year.

House Appropriations Committee (May 5, 2016). The committee referred the bill to the House Committee of the Whole with no amendments.

House second reading (May 5, 2016). The House adopted the House Finance committee report, and passed the bill as amended on second reading.

House third reading (May 6, 2016). The House passed the bill on third reading with no amendments.

Senate Action

Senate Finance Committee (May 9, 2016). At the hearing, representatives from the Colorado Rural Health Center and the Colorado Academy of Family Physicians testified in support of the bill. The committee referred the bill to the Senate Appropriations Committee with no amendments.

Senate Appropriations Committee (May 9, 2016). The committee referred the bill to the Senate Committee of the Whole with no amendments.

Senate second reading (May 9, 2016). The Senate passed the bill on second reading with no amendments.

Senate third reading (May 10, 2016). The Senate passed the bill on third reading with no amendments.