

HCS HB 689 -- TAX CREDITS FOR CERTAIN MEDICAL EDUCATION-RELATED PRECEPTORSHIPS

SPONSOR: Shields

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Workforce Development by a vote of 13 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 8 to 2 with 1 voting Present.

The following is a summary of the House Committee Substitute for HB 689.

Beginning January 1, 2022, this bill creates a tax credit for any community-based faculty preceptor, as defined in the bill, who serves as the community-based faculty preceptor for a medical student core preceptorship or a physician assistant student core preceptorship, as defined in the bill. The amount of the tax credit will be worth \$1000 for each preceptorship, up to a maximum of \$3000 per tax year, if he or she completes up to three preceptorship rotations during the tax year and did not receive any direct compensation for the preceptorships. To receive the credit, a community-based faculty preceptor must claim the credit on his or her return for the tax year in which he or she completes the preceptorship rotations and must submit supporting documentation as prescribed by the Division of Professional Registration within the Department of Commerce and Insurance.

This tax credit is nonrefundable, cannot be carried forward or carried back, transferred, assigned or sold. No more than 200 preceptorship tax credits will be authorized for any one calendar year and will be awarded on a first-come, first-served basis, capped at a total amount of \$200,000 per year. Some discretion to use remaining funds in a particular fiscal year is provided. However, to the greatest extent possible, community-based faculty preceptors who provide preceptorships in rural areas of Missouri will be given first priority for awards of the tax credit.

Additionally, this bill creates a "Medical Preceptor Fund" which is funded from a license fee increase of \$7.00 per license for physicians and surgeons and from a license fee increase of three dollars per license for physician assistants. This will be a dedicated fund designed to fund additional tax credits that may exceed the established cap of \$200,000 per year.

The Department of Commerce and Insurance and the Department of Revenue will jointly administer the tax credit and each taxpayer claiming a tax credit must file an affidavit with his or her income tax return, affirming that he or she is eligible for the tax

credit. Additionally, the Department of Commerce and Insurance and the Department of Revenue will jointly promulgate rules to implement the provisions of this bill.

This bill is similar to HB 2036 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that the bill will incentivize family practice doctors to train and work in rural areas. Recruiting preceptors is difficult because of the time and expense involved in such teaching. Physicians are in agreement that mild license fee adjustments should be used for these purposes. The bill will help keep medical school graduates in Missouri.

Testifying for the bill were Representative Shields; Julie Banderas, University of Missouri Kansas City School of Medicine; Kelly Dougherty; Kirstie Holtermann; Lindsay T. Abernethy, PA-C, University of Missouri-Kansas City; Magdaleno Aaron Gutierrez; Michael French, Missouri Area Health Education Centers; Missouri Chapter, American Academy of Pediatrics; Danielle Yantis; Jacqueline Walker; MO Society of Eye Physicians and Surgeons; Missouri Association of Osteopathic Physicians and Surgeons (MAOPS); Shanon Luke; Edwin Kraemer, MD, Missouri Academy of Family Physicians; Carol Suit; Missouri Society of Anesthesiologists; Missouri American College of Obstetricians and Gynecologists; Missouri State Medical Association; Missouri Association of Physician Assistants; and Mary Anne Jackson, UMKC School of Medicine.

OPPONENTS: Those who oppose the bill provided written testimony.

Testifying against the bill was Arnie Dienoff.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.