A BILL FOR AN ACT

CONCERNING THE CREATION OF A CREDIT AGAINST THE STATE INCOME TAX FOR RURAL PRIMARY CARE PRECEPTORS TRAINING STUDENTS MATRICULATING AT COLORADO INSTITUTIONS OF 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/billsummaries.)

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...
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.

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

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

39-22-538. Credit for health care preceptors working in health professional shortage areas - legislative declaration - definitions - repeal. (1) (a) The General Assembly finds, determines, and declares that:

(I) It is vital to the well-being, quality of life, and economic development of the entire state that excellent health care be available in all regions of the state, including rural and frontier areas;

(II) Rural areas of the state currently suffer from a shortage of primary health care providers and, as a result, these communities experience reduced access to such providers.
AND POORER HEALTH CARE OUTCOMES; AND

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

(b) The general assembly intends that the tax credit
created in this section is to be used to provide sufficient
financial incentives to encourage preceptors to offer
professional instruction, training, and supervision to students
seeking careers as primary health care providers in rural and
frontier areas of the state.

(c) The general assembly further intends that the tax
credit provide sufficient financial incentives to encourage
preceptors to offer professional instruction, training, and
supervision to students matriculating at Colorado institutions
of higher education seeking careers as primary health care
providers in rural and frontier areas of the state.

(2) As used in this section, unless the context otherwise
requires:

(a) "AHEC" or "AHEC program" means the area health
education center.

(b) "Frontier area" means a county in the state that has
a population density of six or fewer individuals per one square
mile.

(c) "Graduate student" means an individual matriculating
at the graduate level at any accredited Colorado institution
OF HIGHER EDUCATION SEEKING A DEGREE EITHER IN THE AREAS OF
DOCTOR OF MEDICINE, DOCTOR OF OSTEOPATHY, ADVANCED NURSING
PRACTICE, DOCTOR OF DENTAL SURGERY, OR DOCTOR OF DENTAL
MEDICINE, OR AS A PHYSICIAN ASSISTANT.

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

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

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

(g) "RURAL AREA" MEANS A COUNTY NONMETROPOLITAN AREA IN
THE STATE THAT HAS LESS THAN TWENTY THOUSAND PERMANENT
RESIDENTS OR AS THE TERM MAY BE OTHERWISE DEFINED BY THE FEDERAL
OFFICE OF MANAGEMENT AND BUDGET.

(h) "TAXPAYER" MEANS A PRECEPTOR WHO FILES AN INCOME TAX
RETURN UNDER THIS ARTICLE.
(3) (a) For income tax years commencing on or after January 1, 2017, but prior to January 1, 2020, and subject to the requirements of paragraph (b) of this subsection (3), a taxpayer is allowed a credit against the income taxes imposed by this article in an amount equal to one thousand dollars for a preceptorship provided by him or her during the applicable income tax year for which the credit is claimed.

(b) Notwithstanding any other provision of this section:

(I) The aggregate amount of the credit awarded to any one taxpayer under this section shall not exceed one thousand dollars for any one income tax year regardless of the number of preceptorships undertaken by the taxpayer during the applicable income tax year or the number of eligible graduate students the taxpayer instructs, trains, or supervises during the applicable income tax year;

(II) A taxpayer is eligible to claim the credit allowed by this section if he or she performs a preceptorship that lasts a total of not less than four weeks during the income tax year in which the credit is claimed and the preceptor is practicing in his or her primary health care field of medicine in a rural or frontier area; and

(III) Not more than three hundred preceptors are entitled to claim the credit authorized by this section for any one income tax year. The department shall promulgate by rule, in accordance with article 4 of title 24, C.R.S., a method for determining the manner in which taxpayers who have obtained certification under subsection (4) of this section are able to
CLAIM THE TAX CREDIT.


(5) WHERE A TAXPAYER CLAIMS THE CREDIT PROVIDED BY THIS SECTION BUT FAILS TO SATISFY THE REQUIREMENTS OF THIS SECTION DURING THE INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED, THE TAXPAYER SHALL REPAY THE ENTIRE AMOUNT OF THE TOTAL CREDIT THAT IS ATTRIBUTED TO HIM OR HER PURSUANT TO THIS SECTION. THE
TAXPAYER SHALL REPORT THE RECAPTURE REQUIRED BY THIS SUBSECTION
(5) BY INCREASING HIS OR HER INCOME TAX LIABILITY BY THE AMOUNT OF
THE TOTAL CREDIT CLAIMED FOR THE YEAR IN WHICH THE RECAPTURE
OCCURS.

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

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

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

SECTION 2. Act subject to petition - effective date. This act
takes effect at 12:01 a.m. on the day following the expiration of the
ninety-day period after final adjournment of the general assembly (August
10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
referendum petition is filed pursuant to section 1 (3) of article V of the
state constitution against this act or an item, section, or part of this act
within such period, then the act, item, section, or part will not take effect
unless approved by the people at the general election to be held in
November 2016 and, in such case, will take effect on the date of the
official declaration of the vote thereon by the governor.