

1 AN ACT relating to the voluntary preceptor tax credit.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO  
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "AHEC" means the Kentucky area health education center system*  
7 *recognized by KRS 164.029, which is a collaborative effort among the*  
8 *University of Kentucky, the University of Louisville Health Sciences Center,*  
9 *and the regional centers associated with each university working to support,*  
10 *train, recruit, and retain the best health care professionals and to positively*  
11 *affect the distribution of those professionals throughout the*  
12 *Commonwealth;*

13 *(b) "AHEC-qualified site" means a location approved by AHEC where core*  
14 *clinical rotations are administered by a participating teaching program;*

15 *(c) "Core clinical rotation" means a clinical training requirement of a health*  
16 *professions teaching program totaling at least one hundred sixty (160)*  
17 *hours of supervised training completed by a student under the guidance of a*  
18 *voluntary preceptor at a Kentucky AHEC-qualified site;*

19 *(d) "Participating teaching program" means an accredited:*

20 *1. Medical or osteopathic school;*

21 *2. Physician assistant program; or*

22 *3. Nurse practitioner program;*

23 *based and operating in the Commonwealth which elects to support the*  
24 *participation of voluntary preceptors;*

25 *(e) "Student" means an individual enrolled in a participating teaching*  
26 *program;*

27 *(f) "Underserved area" means an area, in the determination of AHEC, that*

1 requires additional health care professionals to meet the medical needs of  
2 citizens; and

3 (g) "Voluntary preceptor" means a Kentucky-licensed physician in a rural or  
4 urban underserved area in the Commonwealth who voluntarily teaches and  
5 supervises, without compensation, at least three (3) but no more than six (6)  
6 core clinical rotations for students within a calendar year for a participating  
7 teaching program.

8 (2) (a) Effective for taxable years beginning on or after January 1, 2020, but  
9 before January 1, 2024, a voluntary preceptor credit shall be permitted  
10 against the tax imposed by KRS 141.020, with the ordering of the credit as  
11 provided in Section 2 of this Act, in an amount equal to five hundred dollars  
12 (\$500) for each core clinical rotation administered by a participating  
13 teaching program at an AHEC-qualified site, taught and supervised by a  
14 voluntary preceptor and completed by a student, except that the credit shall  
15 be no less than one thousand five hundred dollars (\$1,500) nor more than  
16 three thousand dollars (\$3,000).

17 (b) 1. The credit shall be claimed by the voluntary preceptor during the  
18 taxable year within which the core clinical rotation is completed by the  
19 student.

20 2. No partial credit shall be permitted if the student does not complete the  
21 core clinical rotation.

22 (c) Any amount of credit not used in the taxable year within which the core  
23 clinical rotation is completed by the student shall not be carried forward or  
24 carried back and shall not be refundable or transferable.

25 (3) The purposes of the voluntary preceptor credit are to:

26 (a) Encourage Kentucky-licensed physicians in rural and urban underserved  
27 areas to become voluntary preceptors and train students in a participating

- 1           teaching program;
- 2           (b) Provide an incentive for voluntary preceptors to administer at least three (3)
- 3           core clinical rotations;
- 4           (c) Provide hands-on experience for students willing to train in AHEC-
- 5           qualified sites; and
- 6           (d) Provide additional medical personnel in rural and urban underserved areas
- 7           of the Commonwealth.
- 8   (4) (a) For each year the credit is permitted, each participating teaching program
- 9           to which a student has matriculated shall issue a rotation certification letter
- 10           to each voluntary preceptor, with a copy to the appropriate AHEC office, by
- 11           January 31, 2021, and annually thereafter.
- 12           (b) The letter shall:
- 13                   1. State the number of core clinical rotations performed by the voluntary
- 14                   preceptor; and
- 15                   2. List the core clinical rotations administered by the voluntary
- 16                   preceptor, including:
- 17                           a. The rotation type;
- 18                           b. The beginning and ending dates of the rotation;
- 19                           c. The name of the student completing the rotation; and
- 20                           d. The school and participating teaching program for the student.
- 21   (5) The department shall report to the Legislative Research Commission and the
- 22           Council on Postsecondary Education by May 1, 2021, and annually thereafter as
- 23           long as the credit is permitted, the voluntary preceptor data collected from across
- 24           the Commonwealth within a searchable and sortable document.
- 25   (6) On or before December 1, 2021, and annually thereafter as long as the credit is
- 26           permitted, the department shall report to the Legislative Research Commission:
- 27           (a) The cumulative amount of tax credits claimed by voluntary preceptors by

- 1           taxable year;  
 2           **(b) The number of taxpayers that claimed the credit for each taxable year;**  
 3           **(c) Based on the mailing address of the return, the total amount of credits**  
 4           **claimed by county; and**  
 5           **(d) Based on ranges of adjusted gross income of no larger than five thousand**  
 6           **dollars (\$5,000), the total amount of tax credits claimed for each adjusted**  
 7           **gross income range.**

8           ➔Section 2. KRS 141.0205 is amended to read as follows:

9           If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax  
 10           imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of  
 11           the credits shall be determined as follows:

- 12           (1) The nonrefundable business incentive credits against the tax imposed by KRS  
 13           141.020 shall be taken in the following order:
- 14           (a) The limited liability entity tax credit permitted by KRS 141.0401;
  - 15           (b) The economic development credits computed under KRS 141.347, 141.381,  
 16           141.384, 141.400, 141.401, 141.403, 141.407, 141.415, 154.12-207, and  
 17           154.12-2088;
  - 18           (c) The qualified farming operation credit permitted by KRS 141.412;
  - 19           (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
  - 20           (e) The health insurance credit permitted by KRS 141.062;
  - 21           (f) The tax paid to other states credit permitted by KRS 141.070;
  - 22           (g) The credit for hiring the unemployed permitted by KRS 141.065;
  - 23           (h) The recycling or composting equipment credit permitted by KRS 141.390;
  - 24           (i) The tax credit for cash contributions in investment funds permitted by KRS  
 25           154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS  
 26           154.20-258;
  - 27           (j) The research facilities credit permitted by KRS 141.395;

- 1 (k) The employer High School Equivalency Diploma program incentive credit  
2 permitted under KRS 151B.402;
- 3 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 4 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 5 (n) The clean coal incentive credit permitted by KRS 141.428;
- 6 (o) The ethanol credit permitted by KRS 141.4242;
- 7 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 8 (q) The energy efficiency credits permitted by KRS 141.436;
- 9 (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 10 (s) The Endow Kentucky credit permitted by KRS 141.438;
- 11 (t) The New Markets Development Program credit permitted by KRS 141.434;
- 12 (u) The distilled spirits credit permitted by KRS 141.389;
- 13 (v) The angel investor credit permitted by KRS 141.396;
- 14 (w) The film industry credit permitted by KRS 141.383 for applications approved  
15 on or after April 27, 2018; and
- 16 (x) The inventory credit permitted by KRS 141.408.
- 17 (2) After the application of the nonrefundable credits in subsection (1) of this section,  
18 the nonrefundable personal tax credits against the tax imposed by KRS 141.020  
19 shall be taken in the following order:
- 20 (a) The individual credits permitted by KRS 141.020(3);
- 21 (b) The credit permitted by KRS 141.066;
- 22 (c) The tuition credit permitted by KRS 141.069;
- 23 (d) The household and dependent care credit permitted by KRS 141.067;~~and~~
- 24 (e) The income gap credit permitted by KRS 141.066; **and**
- 25 **(f) The voluntary preceptor credit permitted by Section 1 of this Act.**
- 26 (3) After the application of the nonrefundable credits provided for in subsection (2) of  
27 this section, the refundable credits against the tax imposed by KRS 141.020 shall be

1 taken in the following order:

- 2 (a) The individual withholding tax credit permitted by KRS 141.350;
- 3 (b) The individual estimated tax payment credit permitted by KRS 141.305;
- 4 (c) The certified rehabilitation credit permitted by KRS 171.3961 and  
5 171.397(1)(b); and
- 6 (d) The film industry tax credit permitted by KRS 141.383 for applications  
7 approved prior to April 27, 2018.

8 (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the  
9 tax imposed by KRS 141.040.

10 (5) The following nonrefundable credits shall be applied against the sum of the tax  
11 imposed by KRS 141.040 after subtracting the credit provided for in subsection (4)  
12 of this section, and the tax imposed by KRS 141.0401 in the following order:

- 13 (a) The economic development credits computed under KRS 141.347, 141.381,  
14 141.384, 141.400, 141.401, 141.403, 141.407, 141.415, 154.12-207, and  
15 154.12-2088;
- 16 (b) The qualified farming operation credit permitted by KRS 141.412;
- 17 (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 18 (d) The health insurance credit permitted by KRS 141.062;
- 19 (e) The unemployment credit permitted by KRS 141.065;
- 20 (f) The recycling or composting equipment credit permitted by KRS 141.390;
- 21 (g) The coal conversion credit permitted by KRS 141.041;
- 22 (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods  
23 ending prior to January 1, 2008;
- 24 (i) The tax credit for cash contributions to investment funds permitted by KRS  
25 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS  
26 154.20-258;
- 27 (j) The research facilities credit permitted by KRS 141.395;

- 1 (k) The employer High School Equivalency Diploma program incentive credit  
2 permitted by KRS 151B.402;
- 3 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 4 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 5 (n) The clean coal incentive credit permitted by KRS 141.428;
- 6 (o) The ethanol credit permitted by KRS 141.4242;
- 7 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 8 (q) The energy efficiency credits permitted by KRS 141.436;
- 9 (r) The ENERGY STAR home or ENERGY STAR manufactured home credit  
10 permitted by KRS 141.437;
- 11 (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 12 (t) The railroad expansion credit permitted by KRS 141.386;
- 13 (u) The Endow Kentucky credit permitted by KRS 141.438;
- 14 (v) The New Markets Development Program credit permitted by KRS 141.434;
- 15 (w) The distilled spirits credit permitted by KRS 141.389;
- 16 (x) The film industry credit permitted by KRS 141.383 for applications approved  
17 on or after April 27, 2018; and
- 18 (y) The inventory credit permitted by KRS 141.408.
- 19 (6) After the application of the nonrefundable credits in subsection (5) of this section,  
20 the refundable credits shall be taken in the following order:
- 21 (a) The corporation estimated tax payment credit permitted by KRS 141.044;
- 22 (b) The certified rehabilitation credit permitted by KRS 171.3961 and  
23 171.397(1)(b); and
- 24 (c) The film industry tax credit permitted by KRS 141.383 for applications  
25 approved prior to April 27, 2018.

26 ➔Section 3. KRS 131.190 is amended to read as follows:

- 27 (1) No present or former commissioner or employee of the department, present or

1 former member of a county board of assessment appeals, present or former property  
2 valuation administrator or employee, present or former secretary or employee of the  
3 Finance and Administration Cabinet, former secretary or employee of the Revenue  
4 Cabinet, or any other person, shall intentionally and without authorization inspect or  
5 divulge any information acquired by him of the affairs of any person, or information  
6 regarding the tax schedules, returns, or reports required to be filed with the  
7 department or other proper officer, or any information produced by a hearing or  
8 investigation, insofar as the information may have to do with the affairs of the  
9 person's business.

- 10 (2) The prohibition established by subsection (1) of this section shall not extend to:
- 11 (a) Information required in prosecutions for making false reports or returns of  
12 property for taxation, or any other infraction of the tax laws;
  - 13 (b) Any matter properly entered upon any assessment record, or in any way made  
14 a matter of public record;
  - 15 (c) Furnishing any taxpayer or his properly authorized agent with information  
16 respecting his own return;
  - 17 (d) Testimony provided by the commissioner or any employee of the department  
18 in any court, or the introduction as evidence of returns or reports filed with the  
19 department, in an action for violation of state or federal tax laws or in any  
20 action challenging state or federal tax laws;
  - 21 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or  
22 energy resources assessed under KRS 132.820, or owners of surface land  
23 under which the unmined minerals lie, factual information about the owner's  
24 property derived from third-party returns filed for that owner's property, under  
25 the provisions of KRS 132.820, that is used to determine the owner's  
26 assessment. This information shall be provided to the owner on a confidential  
27 basis, and the owner shall be subject to the penalties provided in KRS



- 1           131.990(2). The third-party filer shall be given prior notice of any disclosure  
2           of information to the owner that was provided by the third-party filer;
- 3           (f) Providing to a third-party purchaser pursuant to an order entered in a  
4           foreclosure action filed in a court of competent jurisdiction, factual  
5           information related to the owner or lessee of coal, oil, gas reserves, or any  
6           other mineral resources assessed under KRS 132.820. The department may  
7           promulgate an administrative regulation establishing a fee schedule for the  
8           provision of the information described in this paragraph. Any fee imposed  
9           shall not exceed the greater of the actual cost of providing the information or  
10          ten dollars (\$10);
- 11          (g) Providing information to a licensing agency, the Transportation Cabinet, or  
12          the Kentucky Supreme Court under KRS 131.1817;
- 13          (h) Statistics of gasoline and special fuels gallonage reported to the department  
14          under KRS 138.210 to 138.448;
- 15          (i) Providing any utility gross receipts license tax return information that is  
16          necessary to administer the provisions of KRS 160.613 to 160.617 to  
17          applicable school districts on a confidential basis;
- 18          (j) Providing documents, data, or other information to a third party pursuant to an  
19          order issued by a court of competent jurisdiction; or
- 20          (k) Providing information to the Legislative Research Commission under:
- 21                1. KRS 139.519 for purposes of the sales and use tax refund on building  
22                materials used for disaster recovery;
- 23                2. KRS 141.436 for purposes of the energy efficiency products credits;
- 24                3. KRS 141.437 for purposes of the ENERGY STAR home and the  
25                ENERGY STAR manufactured home credits;
- 26                4. KRS 148.544 for purposes of the film industry incentives;
- 27                5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization

- 1 tax credits and the job assessment fees;
- 2 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 3 7. KRS 141.396 for purposes of the angel investor tax credit;
- 4 8. KRS 141.389 for purposes of the distilled spirits credit;
- 5 9. KRS 141.408 for purposes of the inventory credit;~~and~~
- 6 10. KRS 141.390 for purposes of the recycling and composting credit; **and**
- 7 **11. Section 1 of this Act for purposes of the voluntary preceptor credit.**

8 (3) The commissioner shall make available any information for official use only and on  
 9 a confidential basis to the proper officer, agency, board or commission of this state,  
 10 any Kentucky county, any Kentucky city, any other state, or the federal government,  
 11 under reciprocal agreements whereby the department shall receive similar or useful  
 12 information in return.

13 (4) Access to and inspection of information received from the Internal Revenue Service  
 14 is for department use only, and is restricted to tax administration purposes.  
 15 Information received from the Internal Revenue Service shall not be made available  
 16 to any other agency of state government, or any county, city, or other state, and shall  
 17 not be inspected intentionally and without authorization by any present secretary or  
 18 employee of the Finance and Administration Cabinet, commissioner or employee of  
 19 the department, or any other person.

20 (5) Statistics of crude oil as reported to the Department of Revenue under the crude oil  
 21 excise tax requirements of KRS Chapter 137 and statistics of natural gas production  
 22 as reported to the Department of Revenue under the natural resources severance tax  
 23 requirements of KRS Chapter 143A may be made public by the department by  
 24 release to the Energy and Environment Cabinet, Department for Natural Resources.

25 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map  
 26 submissions for the 1989 tax year, the department may make public or divulge only  
 27 those portions of mine maps submitted by taxpayers to the department pursuant to

1           KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-  
2           out parcel areas. These electronic maps shall not be relied upon to determine actual  
3           boundaries of mined-out parcel areas. Property boundaries contained in mine maps  
4           required under KRS Chapters 350 and 352 shall not be construed to constitute land  
5           surveying or boundary surveys as defined by KRS 322.010 and any administrative  
6           regulations promulgated thereto.