

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 444

HOUSE BILL NUMBER 205

TITLE AN ACT relating to the voluntary preceptor tax credit.

SPONSOR Representative Kimberly Poore Moser

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES	(\$50,000)	(\$450,000)	(\$950,000)	(\$950,000)
EXPENDITURES				
NET EFFECT	(\$50,000)	(\$450,000)	(\$950,000)	(\$950,000)

() indicates a decrease/negative

PURPOSE OF MEASURE: This bill creates a nonrefundable income tax credit of \$500 for each core clinical rotation supervised by a voluntary medical preceptor, if the preceptor supervised at least 3 clinical rotations, but no more than 6 clinical rotations.

For taxable years beginning on or after January 1, 2020, but before January 1, 2024, the voluntary preceptor credit is created. The credit may be claimed by a Kentucky-licensed physician who volunteers to teach and supervise a core clinical rotation in a rural or urban underserved area of the Commonwealth. Each clinical core rotation must total at least 160 hours of supervised training and be completed by a student at a Kentucky AHEC-qualified site. AHEC is the area health education center system, a collaborative effort among the University of Kentucky, the University of Louisville, and the regional centers associated with each university. The student must be participating in a teaching program offered by an accredited medical or osteopathic school, physician assistant program, or nurse practitioner program.

FISCAL EXPLANATION: There are approximately 250 qualifying preceptors. These preceptors would be able to claim the new tax credit immediately, resulting in a loss of approximately \$450,000 to the General Fund. Additionally, there are approximately 900 preceptors that did not supervise at least 3 rotations. If the number of qualifying preceptors increased in response to the new tax credit, the impact to the General Fund would also increase to approximately \$950,000. Even though the new tax credit will only apply to taxable years beginning on or after January 1, 2020, there will be a small impact on the

General Fund in FY 2020, as individuals will account for the tax credit when making estimated tax payments for tax year 2020.

DATA SOURCE(S): LRC staff; Kentucky AHEC

PREPARER: Jennifer Hays NOTE NUMBER: 54 REVIEW: JAB DATE: 1/16/2020