

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3351

By: McEntire of the House

and

Thompson (Kristen) of the
Senate

10 COMMITTEE SUBSTITUTE

11 An Act relating to medical preceptorship training;
12 defining terms; providing income tax credit for
13 certain individuals who conduct a preceptorship
14 rotation; providing amount of and basis for credit;
15 providing limitations on credits allowed; prohibiting
16 refundability of credit; authorizing the carry
17 forward of credit; directing the State Board of
18 Medical Licensure and Supervision State Board of
19 Osteopathic Examiners and Oklahoma Board of Nursing
20 to award credit; limiting the amount of credit
21 awarded to balance of certain revolving funds;
22 authorizing allocation of partial credit; authorizing
23 credits not allowed to be claimed in subsequent year;
24 specifying eligibility for credit; directing the
 State Board of Medical Licensure and Supervision
 State Board of Osteopathic Examiners and Oklahoma
 Board of Nursing to deposit certain fees in revolving
 fund for certain purpose; requiring submission of
 information; authorizing promulgation of rules;
 creating the Physician Preceptor Tax Credit Revolving
 Fund, the Physician Assistant Preceptor Tax Credit
 Revolving Fund, the Osteopathic Physician Preceptor
 Tax Credit Revolving Fund and the Advanced Practice
 Registered Nurses Preceptor Revolving Fund;
 specifying sources of funds; providing for transfer
 of monies to Oklahoma Tax Commission; requiring
 apportionment of monies; authorizing administrative

1 expenditures; stating purpose; providing for
2 codification; providing an effective date; and
3 declaring an emergency.

4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 2357.409 of Title 68, unless
7 there is created a duplication in numbering, reads as follows:

8 A. As used in this section:

9 1. "Faculty preceptor" means an allopathic physician,
10 osteopathic physician, physician assistant or advanced practice
11 registered nurse licensed in this state and who is either a primary
12 care physician or with respect to a physician assistant or advanced
13 practice registered nurse is performing most of his or her
14 professional services for a primary care physician;

15 2. "Medical school" means a legally chartered medical school
16 recognized by the Oklahoma State Regents for Higher Education;

17 3. "Medical student" means a student currently enrolled in a
18 medical school in this state or a school or college of osteopathic
19 medicine in this state;

20 4. "Physician assistant student" means an individual
21 participating in a state-supported training program in this state
22 that is approved by the State Board of Medical Licensure and
23 Supervision for the training of individuals to become physician
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1 assistants as defined in Section 519.2 of Title 59 of the Oklahoma
2 Statutes;

3 5. "Preceptorship rotation" means a period of preceptorship
4 training of one or more medical students, residents, physician
5 assistant students or advanced practice registered nurses that in
6 aggregate totals one hundred sixty (160) hours;

7 6. "Preceptorship training" means uncompensated training of a
8 medical student, resident, physician assistant student or advanced
9 practice registered nurse enrolled in a training program in this
10 state;

11 7. "Primary care physicians" shall mean physicians practicing
12 in family medicine, geriatrics, general internal medicine, or
13 general pediatrics;

14 8. "Resident" means an allopathic physician or osteopathic
15 physician pursuing postgraduate medical education at a program
16 supported by a medical school or a school or college of osteopathic
17 medicine in this state; and

18 9. "School or college of osteopathic medicine" shall have the
19 same meaning as provided by Section 631 of Title 59 of the Oklahoma
20 Statutes.

21 B. 1. For tax years beginning January 1, 2025, and ending not
22 later than December 31, 2034, there shall be allowed a credit
23 against the tax imposed pursuant to Section 2355 of Title 68 of the
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1 Oklahoma Statutes for a faculty preceptor who conducts a
2 preceptorship rotation.

3 2. Except as provided for by subsection F of this section,
4 credit shall be allowed for no greater than ten preceptorship
5 rotations completed in a calendar year, and shall be equal to the
6 following amounts:

7 a. for a medical student or resident, Five Hundred
8 Dollars (\$500.00) each for the first, second, or third
9 preceptorship rotations and One Thousand Dollars
10 (\$1,000.00) each for up to seven subsequent rotations,
11 and

12 b. for a physician assistant student or advanced practice
13 registered nurse, Three Hundred Seventy-five Dollars
14 (\$375.00) each for the first, second, or third
15 preceptorship rotations and Seven Hundred Fifty
16 Dollars (\$750.00) each for up to seven subsequent
17 rotations.

18 C. The credit authorized by this section shall not be used to
19 reduce the tax liability of the taxpayer to less than zero (0).

20 D. To the extent not used, the credits authorized by this
21 section may be carried over, in order, to each of the five (5)
22 subsequent tax years.

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1 E. 1. The State Board of Medical Licensure and Supervision
2 shall award the credit authorized by subsection B of this section to
3 faculty preceptors for preceptorship rotations of:

4 a. medical students enrolled in a medical school in this
5 state,

6 b. residents who are allopathic physicians pursuing
7 postgraduate medical education at a program supported
8 by a medical school in this state, and

9 c. physician assistant students.

10 2. The State Board of Osteopathic Examiners shall award the
11 credit authorized by subsection B of this section to faculty
12 preceptors for preceptorship rotations of:

13 a. medical students enrolled in a school or college of
14 osteopathic medicine in this state, and

15 b. residents who are osteopathic physicians pursuing
16 postgraduate medical education at a program supported
17 by a school or college of osteopathic medicine in this
18 state.

19 3. The Oklahoma Board of Nursing shall award the credit
20 authorized by subsection B of this section to faculty preceptors for
21 preceptor rotations with respect to advanced practice registered
22 nurses.

23 F. 1. The credits awarded by the State Board of Medical
24 Licensure and Supervision under subparagraphs a and b of paragraph 1

1 of subsection E of this section for the tax year shall not exceed
2 the amount deposited to the Physician Preceptor Tax Credit Revolving
3 Fund created in Section 2 of this act during the fiscal year ending
4 on the June 30 date immediately preceding the January 1 date upon
5 which the applicable income tax year begins.

6 2. The credits awarded by the State Board of Medical Licensure
7 and Supervision under subparagraph c of paragraph 1 of subsection E
8 of this section for the tax year shall not exceed the amount
9 deposited to the Physician Assistant Preceptor Tax Credit Revolving
10 Fund created in Section 3 of this act during the fiscal year ending
11 on the June 30 date immediately preceding the January 1 date upon
12 which the applicable income tax year begins.

13 3. The credits awarded by the State Board of Osteopathic
14 Examiners under paragraph 2 of subsection E of this section for the
15 tax year shall not exceed the amount deposited to the Osteopathic
16 Physician Preceptor Tax Credit Revolving Fund created in Section 4
17 of this act during the preceding fiscal year ending on the June 30
18 date immediately preceding the January 1 date upon which the
19 applicable income tax year begins.

20 4. The credits awarded by the Oklahoma Board of Nursing under
21 paragraph 3 of subsection E of this section for the tax year shall
22 not exceed the amount deposited to the Advanced Practice Registered
23 Nurses Preceptor Tax Credit Revolving Fund created in Section 5 of
24 this act during the preceding fiscal year ending on the June 30 date

1 immediately preceding the January 1 date upon which the applicable
2 income tax year begins.

3 G. Partial claims for credit may be awarded. Credits earned
4 but not allowed due to the application of the limitation provided in
5 this section shall be considered suspended and authorized to be used
6 in the subsequent tax year and applied to the next tax year's
7 limitation.

8 H. In order to receive the credit provided pursuant to this
9 section, a faculty preceptor shall:

10 1. Claim the credit for the tax year in which the preceptorship
11 rotation was completed;

12 2. Certify that he or she did not receive payment during the
13 tax year from any source for providing the training; and

14 3. Supply supporting documentation as may be required by the
15 State Board of Medical Licensure and Supervision or the State Board
16 of Osteopathic Examiners.

17 I. 1. The State Board of Medical Licensure and Supervision
18 shall reserve Five Dollars (\$5.00) of every annual licensure fee
19 received from allopathic physicians and shall deposit the sum to the
20 Physician Preceptor Tax Credit Revolving Fund created in Section 2
21 of this act for the purpose of providing funding for the credit
22 authorized by this section.

23 2. The State Board of Medical Licensure and Supervision shall
24 reserve Two Dollars (\$2.00) of every annual licensure fee received

1 from physician assistants and shall deposit the sum to the Physician
2 Assistant Preceptor Tax Credit Revolving Fund created in Section 3
3 of this act for the purpose of providing funding for the credit
4 authorized by this section.

5 3. The State Board of Osteopathic Examiners shall reserve Five
6 Dollars (\$5.00) of every annual licensure fee received from
7 osteopathic physicians and shall deposit the sum to the Osteopathic
8 Physician Preceptor Tax Credit Revolving Fund created in Section 4
9 of this act for the purpose of providing funding for the credit
10 authorized by this section.

11 4. The Oklahoma Board of Nursing shall reserve Two Dollars
12 (\$2.00) of every annual licensure fee received from advanced
13 practice registered nurses and shall deposit the sum to the Advanced
14 Practice Registered Nurses Preceptor Tax Credit Revolving Fund
15 created in Section 5 of this act for the purpose of providing
16 funding for the credit authorized by this section.

17 J. With respect to each tax year for which any tax credit
18 authorized by this section is awarded, the State Board of Medical
19 Licensure and Supervision, the State Board of Osteopathic Examiners
20 and the Oklahoma Board of Nursing shall electronically submit
21 information to the Oklahoma Tax Commission, which shall include:

- 22 1. The number and amount of tax credits awarded;
- 23 2. The name of the taxpayers that were awarded credits; and

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1 3. The amount deposited in the Physician Preceptor Tax Credit
2 Revolving Fund, created in Section 2 of this act, the Physician
3 Assistant Preceptor Tax Credit Revolving Fund, created in Section 3
4 of this act, the Osteopathic Physician Preceptor Tax Credit
5 Revolving Fund, created in Section 4 of this act and the Advanced
6 Practice Registered Nurses Preceptor Tax Credit Revolving Fund
7 created in Section 5 of this act.

8 K. The Oklahoma Tax Commission, the State Board of Medical
9 Licensure and Supervision, the State Board of Osteopathic Examiners
10 and the Oklahoma Board of Nursing may promulgate rules to effectuate
11 the provisions of this act.

12 SECTION 2. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 495i of Title 59, unless there
14 is created a duplication in numbering, reads as follows:

15 There is hereby created in the State Treasury a revolving fund
16 for the State Board of Medical Licensure and Supervision to be
17 designated the "Physician Preceptor Tax Credit Revolving Fund". The
18 fund shall be a continuing fund, not subject to fiscal year
19 limitations, and shall consist of the monies received by the Board
20 from a portion of licensure fees received from allopathic physicians
21 under subsection I of Section 1 of this act. All monies accruing to
22 the credit of the fund are hereby appropriated and the fund shall be
23 used to make a transfer payment to the Oklahoma Tax Commission in an
24 amount equal to the amount of tax credits awarded pursuant to this

1 act. The Oklahoma Tax Commission shall apportion monies transferred
2 from the fund in the same manner as provided by Section 2352 of
3 Title 68 of the Oklahoma Statutes. Monies in the fund which are not
4 required for payment of administrative expenses, which shall not
5 exceed five percent (5%) of monies apportioned to the fund, or which
6 are not required to be transferred to the Oklahoma Tax Commission as
7 otherwise required by this act to offset the revenue impacted by the
8 use of the income tax credits awarded pursuant to Section 1 of this
9 act may be used to implement programs required or authorized by law.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 519.8a of Title 59, unless there
12 is created a duplication in numbering, reads as follows:

13 There is hereby created in the State Treasury a revolving fund
14 for the State Board of Medical Licensure and Supervision to be
15 designated the "Physician Assistant Preceptor Tax Credit Revolving
16 Fund". The fund shall be a continuing fund, not subject to fiscal
17 year limitations, and shall consist of the monies received by the
18 Board from a portion of licensure fees received from physician
19 assistants under subsection I of Section 1 of this act. All monies
20 accruing to the credit of the fund are hereby appropriated and the
21 fund shall be used to make a transfer payment to the Oklahoma Tax
22 Commission in an amount equal to the amount of tax credits awarded
23 pursuant to this act. The Oklahoma Tax Commission shall apportion
24 monies transferred from the fund in the same manner as provided by

1 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the
2 fund which are not required for payment of administrative expenses,
3 which shall not exceed five percent (5%) of monies apportioned to
4 the fund, or which are not required to be transferred to the
5 Oklahoma Tax Commission as otherwise required by this act to offset
6 the revenue impacted by the use of the income tax credits awarded
7 pursuant to Section 1 of this act may be used to implement programs
8 required or authorized by law.

9 SECTION 4. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 645.1 of Title 59, unless there
11 is created a duplication in numbering, reads as follows:

12 There is hereby created in the State Treasury a revolving fund
13 for the State Board of Osteopathic Examiners to be designated the
14 "Osteopathic Physician Preceptor Tax Credit Revolving Fund". The
15 fund shall be a continuing fund, not subject to fiscal year
16 limitations, and shall consist of the monies received by the Board
17 from a portion of licensure fees received from osteopathic
18 physicians under subsection I of Section 1 of this act. All monies
19 accruing to the credit of the fund are hereby appropriated and the
20 fund shall be used to make a transfer payment to the Oklahoma Tax
21 Commission in an amount equal to the amount of tax credits awarded
22 pursuant to this act. The Oklahoma Tax Commission shall apportion
23 monies transferred from the fund in the same manner as provided by
24 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the

1 fund which are not required for payment of administrative expenses,
2 which shall not exceed five percent (5%) of monies apportioned to
3 the fund, or which are not required to be transferred to the
4 Oklahoma Tax Commission as otherwise required by this act to offset
5 the revenue impacted by the use of the income tax credits awarded
6 pursuant to Section 1 of this act may be used to implement programs
7 required or authorized by law.

8 SECTION 5. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 567.31 of Title 59, unless there
10 is created a duplication in numbering, reads as follows:

11 There is hereby created in the State Treasury a revolving fund
12 for the Oklahoma Board of Nursing to be designated the "Advanced
13 Practice Registered Nurses Preceptor Tax Credit Revolving Fund".
14 The fund shall be a continuing fund, not subject to fiscal year
15 limitations, and shall consist of the monies received by the Board
16 from a portion of licensure fees received from advanced practice
17 registered nurses under subsection I of Section 1 of this act. All
18 monies accruing to the credit of the fund are hereby appropriated
19 and the fund shall be used to make a transfer payment to the
20 Oklahoma Tax Commission in an amount equal to the amount of tax
21 credits awarded pursuant to this act. The Oklahoma Tax Commission
22 shall apportion monies transferred from the fund in the same manner
23 as provided by Section 2352 of Title 68 of the Oklahoma Statutes.
24 Monies in the fund which are not required for payment of

1 administrative expenses, which shall not exceed five percent (5%) of
2 monies apportioned to the fund, or which are not required to be
3 transferred to the Oklahoma Tax Commission as otherwise required by
4 this act to offset the revenue impacted by the use of the income tax
5 credits awarded pursuant to Section 1 of this act may be used to
6 implement programs required or authorized by law.

7 SECTION 6. This act shall become effective July 1, 2024.

8 SECTION 7. It being immediately necessary for the preservation
9 of the public peace, health or safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

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13 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
14 02/26/2024 - DO PASS, As Amended and Coauthored.

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