

1 ENGROSSED SENATE AMENDMENT
TO

2 ENGROSSED HOUSE
3 BILL NO. 3351

By: McEntire of the House

and

Thompson (Kristen) of the
Senate

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6
7 An Act relating to medical preceptorship training;
8 defining terms; providing income tax credit for
9 certain individuals who conduct a preceptorship
10 rotation; *** authorizing credits not allowed to be
11 claimed in subsequent year; specifying eligibility
12 for credit; directing the State Board of Medical
13 Licensure and Supervision, State Board of Osteopathic
14 Examiners, and Oklahoma Board of Nursing to deposit
15 certain fees in revolving fund for certain purpose;
16 *** authorizing administrative expenditures; stating
17 purpose; providing for codification; providing an
18 effective date; and declaring an emergency.

15 AUTHOR: Add the following House Coauthors: Deck and Munson

16 AMENDMENT NO. 1. Page 1, strike the title, enacting clause and
17 entire bill and insert

18 "An Act relating to medical preceptorship training;
19 defining terms; providing income tax credit for
20 certain individuals who conduct a preceptorship
21 rotation; providing amount of and basis for credit;
22 providing limitations on credits allowed; prohibiting
23 refundability of credit; authorizing the carry
24 forward of credit; directing the Health Care
Workforce Training Commission to award credit;
limiting the amount of credit awarded to balance of
certain revolving funds; authorizing allocation of
partial credit; authorizing credits not allowed to be
claimed in subsequent year; specifying eligibility
for credit; directing the State Board of Medical

1 Licensure and Supervision, the State Board of
2 Osteopathic Examiners, and the Oklahoma Board of
3 Nursing to deposit certain fees in revolving fund for
4 certain purpose; requiring submission of information;
5 authorizing promulgation of rules; creating the
6 Physician Preceptor Tax Credit Revolving Fund, the
7 Physician Assistant Preceptor Tax Credit Revolving
8 Fund, the Osteopathic Physician Preceptor Tax Credit
9 Revolving Fund, and the Advanced Practice Registered
10 Nurses Preceptor Tax Credit Revolving Fund;
11 specifying sources of funds; providing for transfer
12 of monies to Oklahoma Tax Commission; requiring
13 apportionment of monies; authorizing payment of
14 administrative expenditures; stating purpose;
15 amending 70 O.S. 2021, Section 697.5, as amended by
16 Section 19, Chapter 407, O.S.L. 2022 (70 O.S. Supp.
17 2023, Section 697.5), which relates to the Health
18 Care Workforce Training Commission; providing
19 additional duties; updating statutory language;
20 providing for codification; and declaring an
21 emergency.

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

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

A. As used in this section:

1. "Advanced practice registered nursing student" means an
individual participating in a state-supported training program in
this state that is approved by the Oklahoma Board of Nursing for the
training of individuals to become Advanced Practice Registered
Nurses as defined in Section 567.3a of Title 59 of the Oklahoma
Statutes;

1 2. "Faculty preceptor" means an allopathic physician,
2 osteopathic physician, physician assistant, or Advanced Practice
3 Registered Nurse licensed in this state and who provides primary
4 care services;

5 3. "Medical school" means a legally chartered medical school
6 recognized by the Oklahoma State Regents for Higher Education;

7 4. "Medical student" means a student currently enrolled in a
8 medical school in this state or a school or college of osteopathic
9 medicine in this state;

10 5. "Physician assistant student" means an individual
11 participating in a state-supported training program in this state
12 that is approved by the State Board of Medical Licensure and
13 Supervision for the training of individuals to become physician
14 assistants as defined in Section 519.2 of Title 59 of the Oklahoma
15 Statutes;

16 6. "Preceptorship rotation" means a period of preceptorship
17 training of one or more medical students, residents, physician
18 assistant students, or advanced practice registered nursing students
19 that in aggregate totals one hundred sixty (160) hours;

20 7. "Preceptorship training" means uncompensated training in
21 primary care services of a medical student, resident, physician
22 assistant student, or advanced practice registered nursing student
23 enrolled in a training program in this state;

24

1 8. "Primary care services" means family medicine, geriatrics,
2 general internal medicine, general pediatrics, or the substantial
3 equivalent of such services when performed by a physician assistant
4 or Advanced Practice Registered Nurse;

5 9. "Resident" means an allopathic physician or osteopathic
6 physician pursuing postgraduate medical education at a program
7 supported by a medical school or a school or college of osteopathic
8 medicine in this state; and

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

12 B. 1. For tax years 2026 through 2035, there shall be allowed
13 a credit against the tax imposed pursuant to Section 2355 of Title
14 68 of the Oklahoma Statutes for a faculty preceptor who conducts a
15 preceptorship rotation.

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

20 a. for a medical student or resident, Two Hundred Ninety
21 Dollars (\$290.00) each for the first, second, or third
22 preceptorship rotations and Five Hundred Ninety
23 Dollars (\$590.00) each for up to seven subsequent
24 rotations, and

1 b. for a physician assistant student or advanced practice
2 registered nursing student, One Hundred Sixty-five
3 Dollars (\$165.00) each for the first, second, or third
4 preceptorship rotations and Three Hundred Forty
5 Dollars (\$340.00) each for up to seven subsequent
6 rotations.

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

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

12 E. The Health Care Workforce Training Commission shall award
13 the credit authorized by subsection B of this section to faculty
14 preceptors for preceptorship rotations of:

15 1. Medical students enrolled in a medical school in this state;

16 2. Residents who are allopathic physicians pursuing
17 postgraduate medical education at a program supported by a medical
18 school in this state;

19 3. Physician assistant students;

20 4. Medical students enrolled in a school or college of
21 osteopathic medicine in this state;

22 5. Residents who are osteopathic physicians pursuing
23 postgraduate medical education at a program supported by a school or
24 college of osteopathic medicine in this state; and

1 6. Advanced practice registered nursing students.

2 F. 1. The credits awarded by the Health Care Workforce
3 Training Commission under paragraphs 1 and 2 subsection E of this
4 section for the tax year shall not exceed the amount deposited to
5 the Physician Preceptor Tax Credit Revolving Fund created in Section
6 2 of this act during the fiscal year ending on the June 30 date
7 immediately preceding the date upon which the applicable income tax
8 year begins.

9 2. The credits awarded by the Health Care Workforce Training
10 Commission under paragraph 3 of subsection E of this section for the
11 tax year shall not exceed the amount deposited to the Physician
12 Assistant Preceptor Tax Credit Revolving Fund created in Section 3
13 of this act during the fiscal year ending on the June 30 date
14 immediately preceding the date upon which the applicable income tax
15 year begins.

16 3. The credits awarded by the Health Care Workforce Training
17 Commission under paragraphs 4 and 5 of subsection E of this section
18 for the tax year shall not exceed the amount deposited to the
19 Osteopathic Physician Preceptor Tax Credit Revolving Fund created in
20 Section 4 of this act during the preceding fiscal year ending on the
21 June 30 date immediately preceding the date upon which the
22 applicable income tax year begins.

23 4. The credits awarded by the Health Care Workforce Training
24 Commission under paragraph 6 of subsection E of this section for the

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

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

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

13 1. Claim the credit for the tax year in which the preceptorship
14 rotation was completed;

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

17 3. Supply supporting documentation as may be required by the
18 Health Care Workforce Training Commission.

19 I. 1. The State Board of Medical Licensure and Supervision
20 shall reserve Seven Dollars (\$7.00) of every annual licensure fee
21 received from allopathic physicians and shall deposit the sum to the
22 Physician Preceptor Tax Credit Revolving Fund created in Section 2
23 of this act for the purpose of providing funding for the credit
24 authorized by this section.

1 2. The State Board of Medical Licensure and Supervision shall
2 reserve Four Dollars (\$4.00) of every annual licensure fee received
3 from physician assistants and shall deposit the sum to the Physician
4 Assistant Preceptor Tax Credit Revolving Fund created in Section 3
5 of this act for the purpose of providing funding for the credit
6 authorized by this section.

7 3. The State Board of Osteopathic Examiners shall reserve Seven
8 Dollars (\$7.00) of every annual licensure fee received from
9 osteopathic physicians and shall deposit the sum to the Osteopathic
10 Physician Preceptor Tax Credit Revolving Fund created in Section 4
11 of this act for the purpose of providing funding for the credit
12 authorized by this section.

13 4. The Oklahoma Board of Nursing shall reserve Four Dollars
14 (\$4.00) of every annual licensure fee received from Advanced
15 Practice Registered Nurses and shall deposit the sum to the Advanced
16 Practice Registered Nurses Preceptor Tax Credit Revolving Fund
17 created in Section 5 of this act for the purpose of providing
18 funding for the credit authorized by this section.

19 J. 1. With respect to each tax year for which any tax credit
20 authorized by this section is awarded, the Health Care Workforce
21 Training Commission shall electronically submit information to the
22 Oklahoma Tax Commission, which shall include the number and amount
23 of tax credits awarded and the name of the taxpayers that were
24 awarded credits.

1 2. With respect to each fiscal year the State Board of Medical
2 Licensure and Supervision, the State Board of Osteopathic Examiners,
3 and the Oklahoma Board of Nursing shall electronically submit to the
4 Health Care Workforce Training Commission and the Oklahoma Tax
5 Commission the amount deposited in the Physician Preceptor Tax
6 Credit Revolving Fund created in Section 2 of this act, the
7 Physician Assistant Preceptor Tax Credit Revolving Fund created in
8 Section 3 of this act, the Osteopathic Physician Preceptor Tax
9 Credit Revolving Fund created in Section 4 of this act, and the
10 Advanced Practice Registered Nurses Preceptor Tax Credit Revolving
11 Fund created in Section 5 of this act.

12 K. The Oklahoma Tax Commission, the Health Care Workforce
13 Training Commission, the State Board of Medical Licensure and
14 Supervision, the State Board of Osteopathic Examiners, and the
15 Oklahoma Board of Nursing may promulgate rules to effectuate the
16 provisions of this act.

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

20 There is hereby created in the State Treasury a revolving fund
21 for the State Board of Medical Licensure and Supervision to be
22 designated the "Physician Preceptor Tax Credit Revolving Fund". The
23 fund shall be a continuing fund, not subject to fiscal year
24 limitations, and shall consist of the monies received by the Board

1 from a portion of licensure fees received from allopathic physicians
2 under subsection I of Section 1 of this act. All monies accruing to
3 the credit of the fund are hereby appropriated and the fund shall be
4 used to make a transfer payment to the Oklahoma Tax Commission in an
5 amount equal to the amount of tax credits awarded pursuant to this
6 act. The Oklahoma Tax Commission shall apportion monies transferred
7 from the fund in the same manner as provided by Section 2352 of
8 Title 68 of the Oklahoma Statutes. Monies in the fund which are not
9 required for payment of administrative expenses to the Health Care
10 Workforce Training Commission, which shall not exceed five percent
11 (5%) of monies apportioned to the fund, or which are not required to
12 be transferred to the Oklahoma Tax Commission as otherwise required
13 by this act to offset the revenue impacted by the use of the income
14 tax credits awarded pursuant to Section 1 of this act may be used to
15 implement programs required or authorized by law.

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

19 There is hereby created in the State Treasury a revolving fund
20 for the State Board of Medical Licensure and Supervision to be
21 designated the "Physician Assistant Preceptor Tax Credit Revolving
22 Fund". The fund shall be a continuing fund, not subject to fiscal
23 year limitations, and shall consist of the monies received by the
24 Board from a portion of licensure fees received from physician

1 assistants under subsection I of Section 1 of this act. All monies
2 accruing to the credit of the fund are hereby appropriated and the
3 fund shall be used to make a transfer payment to the Oklahoma Tax
4 Commission in an amount equal to the amount of tax credits awarded
5 pursuant to this act. The Oklahoma Tax Commission shall apportion
6 monies transferred from the fund in the same manner as provided by
7 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the
8 fund which are not required for payment of administrative expenses
9 to the Health Care Workforce Training Commission, which shall not
10 exceed five percent (5%) of monies apportioned to the fund, or which
11 are not required to be transferred to the Oklahoma Tax Commission as
12 otherwise required by this act to offset the revenue impacted by the
13 use of the income tax credits awarded pursuant to Section 1 of this
14 act may be used to implement programs required or authorized by law.

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

18 There is hereby created in the State Treasury a revolving fund
19 for the State Board of Osteopathic Examiners to be designated the
20 "Osteopathic Physician Preceptor Tax Credit Revolving Fund". The
21 fund shall be a continuing fund, not subject to fiscal year
22 limitations, and shall consist of the monies received by the Board
23 from a portion of licensure fees received from osteopathic
24 physicians under subsection I of Section 1 of this act. All monies

1 accruing to the credit of the fund are hereby appropriated and the
2 fund shall be used to make a transfer payment to the Oklahoma Tax
3 Commission in an amount equal to the amount of tax credits awarded
4 pursuant to this act. The Oklahoma Tax Commission shall apportion
5 monies transferred from the fund in the same manner as provided by
6 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the
7 fund which are not required for payment of administrative expenses
8 to the Health Care Workforce Training Commission, which shall not
9 exceed five percent (5%) of monies apportioned to the fund, or which
10 are not required to be transferred to the Oklahoma Tax Commission as
11 otherwise required by this act to offset the revenue impacted by the
12 use of the income tax credits awarded pursuant to Section 1 of this
13 act may be used to implement programs required or authorized by law.

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

17 There is hereby created in the State Treasury a revolving fund
18 for the Oklahoma Board of Nursing to be designated the "Advanced
19 Practice Registered Nurses Preceptor Tax Credit Revolving Fund".
20 The fund shall be a continuing fund, not subject to fiscal year
21 limitations, and shall consist of the monies received by the Board
22 from a portion of licensure fees received from Advanced Practice
23 Registered Nurses under subsection I of Section 1 of this act. All
24 monies accruing to the credit of the fund are hereby appropriated

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

14 SECTION 6. AMENDATORY 70 O.S. 2021, Section 697.5, as
15 amended by Section 19, Chapter 407, O.S.L. 2022 (70 O.S. Supp. 2023,
16 Section 697.5), is amended to read as follows:

17 Section 697.5. The Health Care Workforce Training Commission,
18 in order to perform its official function in establishing and
19 administering physician training programs, shall have the following
20 specific powers, duties, and responsibilities:

21 1. To review all available data on health care workforce in
22 Oklahoma in order to determine the current and projected
23 distribution of physicians by geographic location and by type of
24 practice, and, to accomplish this review, the Commission shall

1 obtain information from and work in conjunction with the State
2 Department of Health and all other agencies which gather data and
3 evaluate health care workforce needs;

4 2. To review data and information on accredited physician
5 internship and residency programs currently operated by Oklahoma
6 hospitals and other approved clinical situations, in order to
7 ascertain the number and distribution by physician specialty
8 training and by geographic location of available internship and
9 residency positions and to evaluate the impact of internship and
10 residency placement on the establishment of practices by physicians
11 in that geographic area or similar areas within the state where
12 their services are urgently needed;

13 3. To serve as an agent to advise hospitals, clinics, and
14 communities on setting up and planning internship and residency
15 programs which emphasize the provision of additional primary care
16 physicians to service the rural areas of Oklahoma with primary care
17 specialties to be defined to include training in the area of
18 internal medicine, obstetrics and gynecology, pediatrics, emergency
19 trauma, and family practice;

20 4. To provide general counsel and advice in the development,
21 operation and evaluation of physician internship and residency
22 programs throughout the ~~State of Oklahoma~~ this state in cooperation
23 with the efforts of the Oklahoma State Regents for Higher Education
24 and the state's physician training institutions such as the ~~Oklahoma~~

1 ~~University~~ University of Oklahoma College of Medicine, Oklahoma City
2 and Tulsa campuses, and the Oklahoma State University College of
3 Osteopathic Medicine ~~and Surgery~~, and subject to accreditation by
4 official and appropriate accrediting agencies;

5 5. To develop the criteria for determining the physician
6 training cost component or associated clinical and hospital training
7 costs which are or may be nonreimbursable by third party payers in
8 programs proposed by accredited hospitals, clinical situations, or
9 hospital and clinical programs affiliated with and administered by
10 the University of Oklahoma College of Medicine, University of
11 Oklahoma College of Medicine - Tulsa, or Oklahoma State University
12 College of Osteopathic Medicine ~~and Surgery~~ in order to determine
13 the share for the state in supporting the salary, benefits, training
14 and program administration costs incurred by hospitals in supporting
15 of the interns and residents;

16 6. To develop the criteria and procedure by which state
17 matching funds will be awarded to hospitals, accredited clinical
18 situations, in cooperation with the University of Oklahoma College
19 of Medicine, University of Oklahoma College of Medicine - Tulsa, and
20 the Oklahoma State University College of Osteopathic Medicine ~~and~~
21 ~~Surgery~~ which shall administer programs in hospital and clinical
22 situations in the state to be used to underwrite the salaries,
23 benefits and associated training and administration costs provided
24 for the physician interns and residents during their period of

1 training in such a way as to create an incentive for the development
2 and establishment of residency and internship positions by
3 hospitals, clinical establishments or by affiliation agreement with
4 the University of Oklahoma College of Medicine, University of
5 Oklahoma College of Medicine - Tulsa, and the Oklahoma State
6 University College of Osteopathic Medicine ~~and Surgery~~ by providing
7 funds to cover and to supplement the nonreimbursable or additional
8 costs incurred in hospitals for training activities or for delivery
9 of service in outreach and ambulatory clinical situations which are
10 outside but associated with the hospitals and clinical
11 establishments participating in the program;

12 7. To review and to approve for inclusion in the programs
13 funded the applications for funds submitted by accredited hospitals
14 and clinical situations participating in physician training programs
15 in cooperation with the University of Oklahoma College of Medicine,
16 University of Oklahoma College of Medicine - Tulsa, and the Oklahoma
17 State University College of Osteopathic Medicine ~~and Surgery~~ for the
18 costs of supplying residents and interns in programs which they
19 administer by affiliation agreements with hospitals and clinical
20 situations throughout the state in which the interns and residents
21 are supervised and funded by the University of Oklahoma College of
22 Medicine, University of Oklahoma College of Medicine - Tulsa, and
23 the Oklahoma State University College of Osteopathic Medicine ~~and~~
24 ~~Surgery~~ and the hospitals and clinical establishments pay for the

1 patient care services rendered in their institutions by these
2 residents and interns during the period of training;

3 8. To determine the specific level of funding and the
4 priorities used for granting state support to approved hospitals and
5 clinical situations, in cooperation with the University of Oklahoma
6 College of Medicine, University of Oklahoma College of Medicine -
7 Tulsa, and the Oklahoma State University College of Osteopathic
8 Medicine ~~and Surgery~~ for approved hospital physician training
9 programs for interns and residents and to recommend to the Governor
10 and the ~~Oklahoma~~ Legislature the total funds needed to carry out the
11 purpose of this program;

12 9. To employ a director and any staff personnel required to
13 administer the funding of approved physician training programs and
14 to contract with other state agencies and institutions to conduct
15 and to perform specified services, functions and aspects in
16 administering state funds on the specified cost-sharing basis
17 determined by the Commission or for developing programs and
18 community and institutional participation in these training
19 programs;

20 10. To ensure that hospitals or clinical situations that can
21 qualify in all sections of Oklahoma be utilized, and to take all
22 steps necessary to assist such hospitals or clinics in obtaining
23 necessary recognition or status, or in meeting standards for
24

1 accreditation or affiliation so that they may participate in these
2 physician training programs;

3 11. To ensure that in programs administered and operated by the
4 University of Oklahoma College of Medicine, University of Oklahoma
5 College of Medicine - Tulsa, and the Oklahoma State University
6 College of Osteopathic Medicine ~~and Surgery~~ in hospitals and
7 clinical situations throughout the state that funds allocated to the
8 colleges are paid by the hospitals and clinical situations in which
9 the patient care services are rendered, the funds are expended for
10 such purposes in funding residents and interns in the physician
11 training programs that the colleges have established with the
12 approved hospitals and clinical situations which programs are
13 designed to provide primary health care services to the rural and
14 medically underserved parts of the state;

15 12. To conduct and to administer a program of physician and
16 health care workforce placement services throughout ~~the State of~~
17 ~~Oklahoma~~ this state. Placement services shall be made available to
18 communities, hospitals, health care facilities, physician and health
19 professional training institutions, health professional associations
20 and organizations, individual physicians, health professionals,
21 students in physician and health professional training institutions
22 and schools, and other interested parties in such a way so as to
23 further the purposes of improving the distribution of physicians and
24 health professionals practicing or available for practice in the

1 state and improving in the availability of health care services to
2 the people of the state. ~~Said~~ The placement service shall include
3 but not be limited to assisting communities in matching with,
4 contacting and recruiting physicians and health professionals to
5 practice in communities in the state. The Commission shall develop
6 criteria and procedures for the conduct and performance of placement
7 services and employ any staff, contract for services with any
8 private agency, nonprofit corporation, or institution to facilitate
9 the performance of placement services; and

10 13. For purposes of the income tax credit authorized pursuant
11 to Section 1 of this act and in cooperation with the Oklahoma Tax
12 Commission:

- 13 a. to certify preceptorship rotations for allopathic
14 medicine, osteopathic medicine, advanced practice
15 registered nursing, and physician assistant training
16 programs in this state and to register faculty
17 preceptors who provide certified training,
- 18 b. to charge administrative expenses to the State Board
19 of Medical Licensure and Supervision, the State Board
20 of Osteopathic Examiners, and the Oklahoma Board of
21 Nursing pursuant to Sections 2 through 5 of this act,
22 and
- 23 c. to promulgate any additional rules necessary for the
24 implementation of this act.

1 ENGROSSED HOUSE
2 BILL NO. 3351

By: McEntire of the House

and

Thompson (Kristen) of the
Senate

3
4
5
6 An Act relating to medical preceptorship training;
7 defining terms; providing income tax credit for
8 certain individuals who conduct a preceptorship
9 rotation; providing amount of and basis for credit;
10 providing limitations on credits allowed; prohibiting
11 refundability of credit; authorizing the carry
12 forward of credit; directing the State Board of
13 Medical Licensure and Supervision, State Board of
14 Osteopathic Examiners, and Oklahoma Board of Nursing
15 to award credit; limiting the amount of credit
16 awarded to balance of certain revolving funds;
17 authorizing allocation of partial credit; authorizing
18 credits not allowed to be claimed in subsequent year;
19 specifying eligibility for credit; directing the
20 State Board of Medical Licensure and Supervision,
21 State Board of Osteopathic Examiners, and Oklahoma
22 Board of Nursing to deposit certain fees in revolving
23 fund for certain purpose; requiring submission of
24 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
expenditures; stating purpose; providing for
codification; providing an effective date; and
declaring an emergency.

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

1 SECTION 8. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2357.409 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. As used in this section:

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

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

13 3. "Medical student" means a student currently enrolled in a
14 medical school in this state or a school or college of osteopathic
15 medicine in this state;

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

22 5. "Preceptorship rotation" means a period of preceptorship
23 training of one or more medical students, residents, physician
24

1 assistant students or advanced practice registered nurses that in
2 aggregate totals one hundred sixty (160) hours;

3 6. "Preceptorship training" means uncompensated training of a
4 medical student, resident, physician assistant student or advanced
5 practice registered nurse enrolled in a training program in this
6 state;

7 7. "Primary care physicians" shall mean physicians practicing
8 in family medicine, geriatrics, general internal medicine, or
9 general pediatrics;

10 8. "Resident" means an allopathic physician or osteopathic
11 physician pursuing postgraduate medical education at a program
12 supported by a medical school or a school or college of osteopathic
13 medicine in this state; and

14 9. "School or college of osteopathic medicine" shall have the
15 same meaning as provided by Section 631 of Title 59 of the Oklahoma
16 Statutes.

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

22 2. Except as provided for by subsection F of this section,
23 credit shall be allowed for no greater than ten preceptorship
24

1 rotations completed in a calendar year, and shall be equal to the
2 following amounts:

3 a. for a medical student or resident, Five Hundred
4 Dollars (\$500.00) each for the first, second, or third
5 preceptorship rotations and One Thousand Dollars
6 (\$1,000.00) each for up to seven subsequent rotations,
7 and

8 b. for a physician assistant student or advanced practice
9 registered nurse, Three Hundred Seventy-five Dollars
10 (\$375.00) each for the first, second, or third
11 preceptorship rotations and Seven Hundred Fifty
12 Dollars (\$750.00) each for up to seven subsequent
13 rotations.

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

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

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

22 a. medical students enrolled in a medical school in this
23 state,

24

- 1 b. residents who are allopathic physicians pursuing
- 2 postgraduate medical education at a program supported
- 3 by a medical school in this state, and
- 4 c. physician assistant students.

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

- 8 a. medical students enrolled in a school or college of
- 9 osteopathic medicine in this state, and
- 10 b. residents who are osteopathic physicians pursuing
- 11 postgraduate medical education at a program supported
- 12 by a school or college of osteopathic medicine in this
- 13 state.

14 3. The Oklahoma Board of Nursing shall award the credit
15 authorized by subsection B of this section to faculty preceptors for
16 preceptor rotations with respect to advanced practice registered
17 nurses.

18 F. 1. The credits awarded by the State Board of Medical
19 Licensure and Supervision under subparagraphs a and b of paragraph 1
20 of subsection E of this section for the tax year shall not exceed
21 the amount deposited to the Physician Preceptor Tax Credit Revolving
22 Fund created in Section 2 of this act during the fiscal year ending
23 on the June 30 date immediately preceding the January 1 date upon
24 which the applicable income tax year begins.

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

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

15 4. The credits awarded by the Oklahoma Board of Nursing under
16 paragraph 3 of subsection E of this section for the tax year shall
17 not exceed the amount deposited to the Advanced Practice Registered
18 Nurses Preceptor Tax Credit Revolving Fund created in Section 5 of
19 this act during the preceding fiscal year ending on the June 30 date
20 immediately preceding the January 1 date upon which the applicable
21 income tax year begins.

22 G. Partial claims for credit may be awarded. Credits earned
23 but not allowed due to the application of the limitation provided in
24 this section shall be considered suspended and authorized to be used

1 in the subsequent tax year and applied to the next tax year's
2 limitation.

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

5 1. Claim the credit for the tax year in which the preceptorship
6 rotation was completed;

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

9 3. Supply supporting documentation as may be required by the
10 State Board of Medical Licensure and Supervision or the State Board
11 of Osteopathic Examiners.

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

18 2. The State Board of Medical Licensure and Supervision shall
19 reserve Two Dollars (\$2.00) of every annual licensure fee received
20 from physician assistants and shall deposit the sum to the Physician
21 Assistant Preceptor Tax Credit Revolving Fund created in Section 3
22 of this act for the purpose of providing funding for the credit
23 authorized by this section.

24

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

7 4. The Oklahoma Board of Nursing shall reserve Two Dollars
8 (\$2.00) of every annual licensure fee received from advanced
9 practice registered nurses and shall deposit the sum to the Advanced
10 Practice Registered Nurses Preceptor Tax Credit Revolving Fund
11 created in Section 5 of this act for the purpose of providing
12 funding for the credit authorized by this section.

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

- 18 1. The number and amount of tax credits awarded;
- 19 2. The name of the taxpayers that were awarded credits; and
- 20 3. The amount deposited in the Physician Preceptor Tax Credit
21 Revolving Fund, created in Section 2 of this act, the Physician
22 Assistant Preceptor Tax Credit Revolving Fund, created in Section 3
23 of this act, the Osteopathic Physician Preceptor Tax Credit
24 Revolving Fund, created in Section 4 of this act and the Advanced

1 Practice Registered Nurses Preceptor Tax Credit Revolving Fund
2 created in Section 5 of this act.

3 K. The Oklahoma Tax Commission, the State Board of Medical
4 Licensure and Supervision, the State Board of Osteopathic Examiners
5 and the Oklahoma Board of Nursing may promulgate rules to effectuate
6 the provisions of this act.

7 SECTION 9. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 495i of Title 59, unless there
9 is created a duplication in numbering, reads as follows:

10 There is hereby created in the State Treasury a revolving fund
11 for the State Board of Medical Licensure and Supervision to be
12 designated the "Physician Preceptor Tax Credit Revolving Fund". The
13 fund shall be a continuing fund, not subject to fiscal year
14 limitations, and shall consist of the monies received by the Board
15 from a portion of licensure fees received from allopathic physicians
16 under subsection I of Section 1 of this act. All monies accruing to
17 the credit of the fund are hereby appropriated and the fund shall be
18 used to make a transfer payment to the Oklahoma Tax Commission in an
19 amount equal to the amount of tax credits awarded pursuant to this
20 act. The Oklahoma Tax Commission shall apportion monies transferred
21 from the fund in the same manner as provided by Section 2352 of
22 Title 68 of the Oklahoma Statutes. Monies in the fund which are not
23 required for payment of administrative expenses, which shall not
24 exceed five percent (5%) of monies apportioned to the fund, or which

1 are not required to be transferred to the Oklahoma Tax Commission as
2 otherwise required by this act to offset the revenue impacted by the
3 use of the income tax credits awarded pursuant to Section 1 of this
4 act may be used to implement programs required or authorized by law.

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

8 There is hereby created in the State Treasury a revolving fund
9 for the State Board of Medical Licensure and Supervision to be
10 designated the "Physician Assistant Preceptor Tax Credit Revolving
11 Fund". The fund shall be a continuing fund, not subject to fiscal
12 year limitations, and shall consist of the monies received by the
13 Board from a portion of licensure fees received from physician
14 assistants under subsection I of Section 1 of this act. All monies
15 accruing to the credit of the fund are hereby appropriated and the
16 fund shall be used to make a transfer payment to the Oklahoma Tax
17 Commission in an amount equal to the amount of tax credits awarded
18 pursuant to this act. The Oklahoma Tax Commission shall apportion
19 monies transferred from the fund in the same manner as provided by
20 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the
21 fund which are not required for payment of administrative expenses,
22 which shall not exceed five percent (5%) of monies apportioned to
23 the fund, or which are not required to be transferred to the
24 Oklahoma Tax Commission as otherwise required by this act to offset

1 the revenue impacted by the use of the income tax credits awarded
2 pursuant to Section 1 of this act may be used to implement programs
3 required or authorized by law.

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

7 There is hereby created in the State Treasury a revolving fund
8 for the State Board of Osteopathic Examiners to be designated the
9 "Osteopathic Physician Preceptor Tax Credit Revolving Fund". The
10 fund shall be a continuing fund, not subject to fiscal year
11 limitations, and shall consist of the monies received by the Board
12 from a portion of licensure fees received from osteopathic
13 physicians under subsection I of Section 1 of this act. All monies
14 accruing to the credit of the fund are hereby appropriated and the
15 fund shall be used to make a transfer payment to the Oklahoma Tax
16 Commission in an amount equal to the amount of tax credits awarded
17 pursuant to this act. The Oklahoma Tax Commission shall apportion
18 monies transferred from the fund in the same manner as provided by
19 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the
20 fund which are not required for payment of administrative expenses,
21 which shall not exceed five percent (5%) of monies apportioned to
22 the fund, or which are not required to be transferred to the
23 Oklahoma Tax Commission as otherwise required by this act to offset
24 the revenue impacted by the use of the income tax credits awarded

1 pursuant to Section 1 of this act may be used to implement programs
2 required or authorized by law.

3 SECTION 12. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 567.31 of Title 59, unless there
5 is created a duplication in numbering, reads as follows:

6 There is hereby created in the State Treasury a revolving fund
7 for the Oklahoma Board of Nursing to be designated the "Advanced
8 Practice Registered Nurses Preceptor Tax Credit Revolving Fund".
9 The fund shall be a continuing fund, not subject to fiscal year
10 limitations, and shall consist of the monies received by the Board
11 from a portion of licensure fees received from advanced practice
12 registered nurses under subsection I of Section 1 of this act. All
13 monies accruing to the credit of the fund are hereby appropriated
14 and the fund shall be used to make a transfer payment to the
15 Oklahoma Tax Commission in an amount equal to the amount of tax
16 credits awarded pursuant to this act. The Oklahoma Tax Commission
17 shall apportion monies transferred from the fund in the same manner
18 as provided by Section 2352 of Title 68 of the Oklahoma Statutes.
19 Monies in the fund which are not required for payment of
20 administrative expenses, which shall not exceed five percent (5%) of
21 monies apportioned to the fund, or which are not required to be
22 transferred to the Oklahoma Tax Commission as otherwise required by
23 this act to offset the revenue impacted by the use of the income tax
24

1 credits awarded pursuant to Section 1 of this act may be used to
2 implement programs required or authorized by law.

3 SECTION 13. This act shall become effective July 1, 2024.

4 SECTION 14. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

8 Passed the House of Representatives the 4th day of March, 2024.

9

10

Presiding Officer of the House
of Representatives

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13 Passed the Senate the ___ day of _____, 2024.

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Presiding Officer of the Senate

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