

CHAPTER 229

TAXATION

HOUSE BILL 16-1142

BY REPRESENTATIVE(S) Buck and Ginal, Arndt, Duran, Fields, Hamner, Kraft-Tharp, Lontine, McCann, Mitsch Bush, Rankin, Rosenthal, Ryden, Vigil, Williams, Young;
also SENATOR(S) Crowder and Cooke, Aguilar, Grantham, Guzman, Heath, Jahn, Johnston, Jones, Kefalas, Kerr, Merrifield, Newell, Roberts, Steadman, Todd, Ulibarri.

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.

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.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(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 IN THE STATE BY THE APPLICABLE LICENSING AUTHORITY.

(e) "PRECEPTORSHIP" MEANS AN UNCOMPENSATED 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 HEALTH CARE 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 THAT IS LOCATED IN A NONMETROPOLITAN AREA IN THE STATE THAT EITHER HAS NO MUNICIPALITY WITHIN ITS TERRITORIAL BOUNDARIES WITH FIFTY THOUSAND OR MORE PERMANENT RESIDENTS BASED UPON THE MOST RECENT POPULATION ESTIMATES PUBLISHED BY THE UNITED STATES CENSUS BUREAU OR THAT SATISFIES ALTERNATE CRITERIA FOR THE DESIGNATION OF A RURAL AREA AS MAY BE PROMULGATED 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 IN A RURAL OR FRONTIER AREA; AND

(III) NOT MORE THAN TWO 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.

(4) TO QUALIFY FOR THE CREDIT PROVIDED BY THIS SECTION, THE TAXPAYER SHALL SUBMIT A CERTIFICATION FORM WITH EACH INCOME TAX RETURN. CERTIFICATION MAY BE PROVIDED BY EITHER THE INSTITUTION FOR WHICH THE TAXPAYER TEACHES, WHETHER IT IS AN INSTITUTION OF HIGHER EDUCATION OR A HOSPITAL, CLINIC, OR OTHER MEDICAL FACILITY, OR BY THE PARTICULAR REGIONAL OFFICE OF THE AHEC PROGRAM WITH JURISDICTION OVER THE AREA IN WHICH THE PRECEPTOR'S MEDICAL PRACTICE IS LOCATED. IN THE CASE OF CERTIFICATION BY AN INSTITUTION FOR WHICH THE TAXPAYER TEACHES, THE INSTITUTION MUST EXECUTE THE FORM CERTIFYING THAT THE TAXPAYER HAS SATISFIED THE REQUIREMENTS FOR ALLOWANCE OF THE TAX CREDIT AS SPECIFIED IN THIS SECTION. IN THE CASE OF CERTIFICATION BY THE AHEC PROGRAM, THE CERTIFICATION FORM MUST BE OBTAINED FROM THE PARTICULAR REGIONAL OFFICE OF THE AHEC PROGRAM WITH JURISDICTION OVER THE AREA IN WHICH THE PRECEPTOR IS PRACTICING, WHICH OFFICE SHALL CERTIFY THAT THE TAXPAYER HAS SATISFIED THE REQUIREMENTS FOR ALLOWANCE OF THE TAX CREDIT AS SPECIFIED IN THIS SECTION. THE AHEC PROGRAM MAY CHARGE THE TAXPAYER A REASONABLE FEE FOR PROVIDING SUCH CERTIFICATION, WHICH FEE SHALL NOT EXCEED THE ACTUAL COSTS INCURRED BY THE AHEC IN COMPLETING THE CERTIFICATION.

(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.

Approved: June 6, 2016