

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3351</b>
<b>Version:</b>	<b>SAHB</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>McEntire</b>
<b>Date:</b>	<b>5/6/2024</b>
<b>Impact:</b>	<b>No Impact</b>

**Research Analysis**

The Senate amendments to House Bill 3351 add advanced practice registered nursing students to the list of those eligible for the tax credit. The amendments extend the tax credit's applicability from 2026 to 2035 and assign the responsibility of awarding the credits to the Health Care Workforce Training Commission.

**AS AMENDED**

House Bill 3351 establishes a tax credit for faculty preceptors, including allopathic physicians, osteopathic physicians, advanced practical registered nurses, advanced practice registered nursing students, and physician assistants, who conduct preceptorship rotations for medical students, residents, advanced practical registered nurses, and physician assistant students. The tax credit, applicable from 2026 to 2035, allows faculty preceptors to claim credits for up to ten preceptorship rotations per calendar year. The credit amounts vary for medical students, residents, advanced practical registered nurses, and physician assistant students. The Health Care Workforce Training Commission is responsible for awarding the credits, and funds for the tax credits are generated from reserved portions of licensure fees. The measure includes provisions for carrying over unused credits, claiming the credit, and submitting information to the Oklahoma Tax Commission. Additionally, the measure establishes revolving funds for each board to manage the funds.

Prepared By: Matthew Brenchley

**Fiscal Analysis**

In its current form, HB3351 allows a faculty preceptor to claim a tax credit for up to 10 preceptorship rotations completed in a calendar year. The measure also creates a number of revolving funds in the State Treasury.

The Senate amendments decrease the proposed income tax credits for a qualifying faculty preceptor and increase the portion of annual licensure fees used to fund the credits.

Analysis from the Oklahoma Tax Commission:

## REVENUE IMPACT:

There will be no impact to income tax revenue because the proposed credit will be completely funded by a portion of annual licensure fees collected by the State Board of Medical Licensure and Supervision, the Oklahoma Board of Osteopathic Examiners and the State Board of Nursing.

**FY 25: None.**

**FY 26: None.**

## PROPOSED NEW LAW:

HB 3351 proposes to create a new income tax credit for a faculty preceptor<sup>1</sup> who conducts a preceptorship rotation, effective for tax years 2026 – 2035. The credit is nonrefundable and may be carried over to five subsequent tax years. The annual credit amount may vary depending on the trainee and the number of completed rotations, as detailed in Table 1:

Table 1 - Allowable Credit Per Rotation and Trainee			
Rotation Number	Medical Student or Resident		Physician Assistant Student or Advanced Practice Registered Nursing Student
1	\$	290.00	\$ 165.00
2		290.00	\$ 165.00
3		290.00	\$ 165.00
4		590.00	340.00
5		590.00	340.00
6		590.00	340.00
7		590.00	340.00
8		590.00	340.00
9		590.00	340.00
10		590.00	340.00
Total Allowable Credit:	\$	5,000.00	\$ 2,875.00

HB 3351 further proposes to create in the State Treasury the following revolving funds:

- **Physician Preceptor Tax Credit Revolving Fund**
  - The State Board of Medical Licensure and Supervision (Medical Board) will reserve \$7.00 of every annual licensure fee received from allopathic physicians and will deposit the sum to provide funding for the proposed credit.
- **Physician Assistant Preceptor Tax Credit Revolving Fund**
  - The Medical Board will reserve \$4.00 of every annual licensure fee received from physician assistants and will deposit the sum to provide funding for the proposed credit.

- **Osteopathic Physician Preceptor Tax Credit Revolving Fund**
  - The Oklahoma Board of Osteopathic Examiners (Osteopathic Board) will reserve \$7.00 of every annual licensure fee received from Osteopath Physicians and will deposit the sum to provide funding for the proposed credit.
- **Advanced Practice Registered Nurses Preceptor Tax Credit Revolving Fund**
  - The State Board of Nursing (Nursing Board) will reserve \$4.00 of every annual licensure fee received from advanced practical registered nurses (APRN) and will deposit the sum to provide funding for the proposed credit.

Credits awarded for qualified preceptorship rotations will not exceed the amounts deposited during the fiscal year ending on the June 30<sup>th</sup> date immediately preceding the date upon which the applicable tax year begins. All monies accruing to each Fund are appropriated, and the Funds will be used to make a transfer payment to the OTC in an amount equal to credits awarded. The OTC will apportion monies transferred from each Fund in the same manner as individual income tax collections are apportioned.

The Health Care Workforce Training Commission will award the credit to faculty preceptors for preceptorship rotations of:

- Medical students enrolled in a medical school in Oklahoma;
- Residents who are allopathic physicians pursuing postgraduate medical education at a program supported by a medical school in Oklahoma; and
- Physician assistant students.
- Medical students enrolled in a school or college of osteopathic medicine in Oklahoma;
- Residents who are osteopathic physicians pursuing postgraduate medical education at a program supported by a school or college of osteopathic medicine in Oklahoma; and
- Advanced practice registered nursing students.

Partial claims for credit may be awarded, and credits earned but not allowed will be suspended and authorized to be used in the subsequent tax year and applied to the next tax year's limitation.

Prepared By: Zach Penrod

### **Other Considerations**

None.

