

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0181.01 Bob Lackner x4350

HOUSE BILL 15-1238

HOUSE SPONSORSHIP

Buck,

SENATE SPONSORSHIP

Cooke,

House Committees

Health, Insurance, & Environment
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A CREDIT AGAINST THE STATE INCOME
102 TAX FOR CERTAIN HEALTH CARE PRECEPTORS OFFERING THEIR
103 PROFESSIONAL SERVICES IN HEALTH PROFESSIONAL SHORTAGE
104 AREAS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

For income tax years commencing on or after January 1, 2015, but prior to January 1, 2022, the bill grants a preceptor, or a noncompensated health care professional in one of a number of specialized fields of health

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

care practice, who personally provides a mentoring experience of personalized instruction, training, and supervision representing a full clinical rotation to an advanced graduate student seeking a professional degree in one of these fields, a credit against the state income tax in amounts specified in the bill for a tax year in which the preceptor undertakes such work in a health professional shortage area. The tax credit is increased if a portion of the preceptor's health care practice consists of a certain percentage of medicaid patients during the particular tax year as specified in the bill.

The bill imposes an aggregate limit on the amount of the credit to be awarded any one taxpayer for any one income tax year.

The bill specifies the manner in which the taxpayer is required to apply for the credit and procedures to be followed if a preceptor fails to satisfy the requirements of the bill for a particular tax year.

If the amount of the credit allowed exceeds the amount of the income tax otherwise due, the bill allows the balance to be carried forward and applied against the income tax due in each of the 5 succeeding income tax years.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-538 as
3 follows:

4 **39-22-538. Credit for health care preceptors working in health**
5 **professional shortage areas - definitions - legislative declaration -**
6 **repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS, DETERMINES, AND
7 DECLARES THAT:

8 (I) IT IS VITAL TO THE WELL-BEING, QUALITY OF LIFE, AND
9 ECONOMIC DEVELOPMENT OF THE ENTIRE STATE THAT EXCELLENT HEALTH
10 CARE BE AVAILABLE IN ALL REGIONS OF THE STATE;

11 (II) THE STATE CURRENTLY SUFFERS FROM A SHORTAGE OF
12 HEALTH CARE PROFESSIONALS IN MANY AREAS OF THE STATE, AND, AS A
13 RESULT, THESE HEALTH PROFESSIONAL SHORTAGE AREAS SUFFER FROM
14 NOT HAVING THE BREADTH OF HEALTH CARE PROFESSIONALS THAT
15 REGULARLY PRACTICE IN MORE URBAN AREAS OF THE STATE;

1 (III) A CONSISTENT PROBLEM IS A LACK OF PROFESSIONAL
2 INSTRUCTION, TRAINING, AND SUPERVISION IN HEALTH PROFESSIONAL
3 SHORTAGE AREAS THAT ALLOWS STUDENTS STUDYING IN THESE AREAS TO
4 OBTAIN THE REQUISITE PROFESSIONAL MENTORING AND SUPERVISION TO
5 ALLOW THEM TO PRACTICE IN SUCH AREAS UPON OBTAINING A
6 PROFESSIONAL DEGREE AND THEREBY PROVIDE THE NECESSARY SCOPE OF
7 HEALTH CARE ASSISTANCE REQUIRED BY THE RESIDENTS OF SHORTAGE
8 AREAS.

9 (b) THE INTENDED USE OF THE TAX CREDIT CREATED IN THIS
10 SECTION IS TO PROVIDE SUFFICIENT FINANCIAL INCENTIVES TO
11 ENCOURAGE PRECEPTORS TO OFFER PROFESSIONAL INSTRUCTION,
12 TRAINING, AND SUPERVISION TO STUDENTS SEEKING CAREERS AS HEALTH
13 CARE PROFESSIONALS IN HEALTH PROFESSIONAL SHORTAGE AREAS IN THE
14 STATE.

15 (c) THIS SECTION IS INTENDED TO SERVE AS AN INITIAL STEP IN
16 PROVIDING SUFFICIENT INCENTIVES TO ENABLE PRECEPTORS TO OFFER
17 MENTORING, TEACHING, AND TRAINING SERVICES TO STUDENTS IN
18 UNDERSERVED AREAS OF THE STATE AND, INsofar AS THIS SECTION
19 SUCCEEDS IN ACHIEVING ITS OBJECTIVES, THE GENERAL ASSEMBLY HOPES
20 TO BE ABLE TO EXPAND THE SCOPE OF THIS SECTION IN FUTURE YEARS
21 CONSISTENT WITH HEALTH CARE NEEDS ACROSS THE STATE AND THE
22 STATE'S FISCAL REALITIES.

23 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
24 REQUIRES:

25 (a) "COLORADO AREA HEALTH EDUCATION PROGRAM" OR
26 "CAHEP" MEANS THE PROGRAM ADMINISTERED BY THE UNIVERSITY OF
27 COLORADO AT THE ANSCHUTZ MEDICAL CAMPUS. THE COLORADO AREA

1 HEALTH EDUCATION PROGRAM IS A NETWORK THAT PROVIDES
2 MULTIDISCIPLINARY EDUCATIONAL SERVICES TO STUDENTS, FACULTY,
3 AND MEDICAL PRACTITIONERS IN LOCAL COMMUNITIES. THE PROGRAM
4 DIVIDES THE STATE INTO SIX REGIONS WITH AN AREA HEALTH EDUCATION
5 CENTER OFFICE IN EACH REGION.

6 (b) "HEALTH PROFESSIONAL SHORTAGE AREA" MEANS AN AREA
7 THAT THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HEALTH
8 AND HUMAN SERVICES HAS DESIGNATED AS A HEALTH PROFESSIONAL
9 SHORTAGE AREA PURSUANT TO SECTION 254e OF THE FEDERAL "PUBLIC
10 HEALTH SERVICE ACT".

11 (c) "PRECEPTOR" MEANS A NONCOMPENSATED PHYSICIAN,
12 DENTIST, PHYSICAL THERAPIST, ADVANCED PRACTICE REGISTERED NURSE,
13 PHYSICIAN ASSISTANT, OR PHARMACIST WHO:

14 (I) HAS A FACULTY APPOINTMENT AT AN ACCREDITED COLORADO
15 INSTITUTION OF HIGHER EDUCATION; AND

16 (II) PERSONALLY PROVIDES A MINIMUM OF ONE AND A MAXIMUM
17 OF FIVE PRECEPTORSHIPS TO ONE OR MORE STUDENTS IN A HEALTH
18 PROFESSIONAL SHORTAGE AREA IN A PARTICULAR INCOME TAX YEAR.

19 (d) "PRECEPTORSHIP" MEANS A MENTORING EXPERIENCE IN WHICH
20 A PRECEPTOR PROVIDES A PROGRAM OF PERSONALIZED INSTRUCTION,
21 TRAINING, AND SUPERVISION REPRESENTING A FULL CLINICAL ROTATION
22 THAT IS APPROXIMATELY ONE MONTH IN DURATION TO A GRADUATE
23 STUDENT CERTIFIED TO PROVIDE HEALTH CARE SERVICES AS REQUIRED TO
24 ENABLE THE STUDENT TO OBTAIN HIS OR HER PROFESSIONAL DEGREE. THE
25 ONE-MONTH CLINICAL ROTATION MUST BE COMPLETED WITHIN ONE
26 ACADEMIC TERM OR SEMESTER, BUT IT IS NOT A REQUIREMENT OF THIS
27 SECTION THAT THE ROTATION BE COMPLETED OVER ANY PARTICULAR

1 NUMBER OF CONSECUTIVE DAYS.

2 (e) "STUDENT" MEANS AN INDIVIDUAL MATRICULATING AT THE
3 GRADUATE LEVEL AT AN ACCREDITED COLORADO INSTITUTION OF HIGHER
4 EDUCATION IN THE AREA OF MEDICINE, ADVANCED PRACTICE REGISTERED
5 NURSING, DENTISTRY, PHYSICIAN ASSISTANTSHIP, MENTAL HEALTH,
6 PHYSICAL THERAPY, OR PHARMACY.

7 (f) "TAXPAYER" MEANS A PRECEPTOR WHO FILES AN INCOME TAX
8 RETURN UNDER THIS ARTICLE.

9 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
10 JANUARY 1, 2015, BUT PRIOR TO JANUARY 1, 2022, AND SUBJECT TO THE
11 REQUIREMENTS OF PARAGRAPH (b) OF THIS SUBSECTION (3), A TAXPAYER
12 IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
13 ARTICLE IN AN AMOUNT EQUAL TO:

14 (I) ONE THOUSAND DOLLARS FOR ANY PRECEPTORSHIP PROVIDED
15 BY THE PRECEPTOR DURING THE TAX YEAR FOR WHICH THE CREDIT IS
16 CLAIMED; AND

17 (II) ONE THOUSAND FIVE HUNDRED DOLLARS FOR ANY PRECEPTOR
18 IF NOT LESS THAN TEN PERCENT OF HIS OR HER HEALTH CARE PRACTICE
19 CONSISTS OF SEEING MEDICAID PATIENTS DURING THE PARTICULAR TAX
20 YEAR IN ADDITION TO SATISFYING ALL APPLICABLE REQUIREMENTS
21 IMPOSED UPON A PRECEPTOR PURSUANT TO THIS SECTION.

22 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
23 THE AGGREGATE AMOUNT OF THE CREDIT AWARDED TO ANY ONE
24 TAXPAYER UNDER THIS SECTION SHALL NOT EXCEED FIVE THOUSAND
25 DOLLARS FOR ANY ONE INCOME TAX YEAR.

26 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
27 THE CREDIT ALLOWED BY THIS SECTION IS ONLY ALLOWED FOR ONE OR

1 MORE INCOME TAX YEARS IN WHICH THE TAXPAYER:

2 (a) PERSONALLY PROVIDES A MINIMUM OF ONE AND A MAXIMUM
3 OF FIVE PRECEPTORSHIPS TO ONE OR MORE STUDENTS IN A HEALTH
4 PROFESSIONAL SHORTAGE AREA DURING ANY SUCH YEAR; OR

5 (b) SATISFIES THE REQUIREMENTS OF SUBPARAGRAPH (II) OF
6 PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION IN ADDITION TO
7 SATISFYING THE REQUIREMENTS OF PARAGRAPH (a) OF THIS SUBSECTION
8 (4).

9 (5) TO QUALIFY FOR THE CREDIT PROVIDED BY THIS SECTION, THE
10 TAXPAYER SHALL SUBMIT A CERTIFICATION FORM WITH EACH INCOME TAX
11 RETURN. THE FORM MUST BE OBTAINED FROM THE PARTICULAR REGIONAL
12 OFFICE OF THE CAHEP, AS DESCRIBED IN PARAGRAPH (a) OF SUBSECTION
13 (2) OF THIS SECTION, IN WHICH THE PRECEPTOR WAS WORKING DURING THE
14 RELEVANT INCOME TAX YEAR, WHICH OFFICE SHALL CERTIFY THAT THE
15 TAXPAYER HAS SATISFIED THE REQUIREMENTS FOR ALLOWANCE OF THE
16 TAX CREDIT AS SPECIFIED IN THIS SECTION. CAHEP MAY CHARGE THE
17 TAXPAYER A REASONABLE FEE FOR PROVIDING SUCH CERTIFICATION,
18 WHICH FEE SHALL NOT EXCEED THE LESSER OF THE ACTUAL COSTS
19 INCURRED BY CAHEP IN COMPLETING THE CERTIFICATION OR
20 SEVENTY-FIVE DOLLARS FOR EACH CERTIFICATION.

21 (6) WHERE A TAXPAYER CLAIMS THE CREDIT PROVIDED BY THIS
22 SECTION BUT FAILS TO SATISFY THE REQUIREMENTS OF THIS SECTION
23 DURING THE INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED, THE
24 TAXPAYER SHALL REPAY THE ENTIRE AMOUNT OF THE TOTAL CREDIT THAT
25 IS ATTRIBUTED TO HIM OR HER PURSUANT TO THIS SECTION. THE
26 TAXPAYER SHALL REPORT THE RECAPTURE REQUIRED BY THIS SUBSECTION
27 (6) BY INCREASING THE TAXPAYER'S INCOME TAX LIABILITY BY THE

1 AMOUNT OF THE TOTAL CREDIT CLAIMED FOR THE YEAR IN WHICH THE
2 RECAPTURE OCCURS.

3 (7) IF THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
4 SECTION EXCEEDS THE AMOUNT OF THE INCOME TAX OTHERWISE DUE ON
5 THE TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE
6 CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN
7 OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS NOT
8 ALLOWED AS A REFUND BUT MAY BE CARRIED FORWARD AND APPLIED
9 AGAINST THE INCOME TAX DUE IN EACH OF THE FIVE SUCCEEDING INCOME
10 TAX YEARS, BUT MUST FIRST BE APPLIED AGAINST THE INCOME TAX DUE
11 FOR THE EARLIEST OF THE INCOME TAX YEARS POSSIBLE.

12 (8) NOTHING IN THIS SECTION MODIFIES OR CHANGES THE
13 DEFINITION OF "PUBLIC EMPLOYEE" SPECIFIED IN SECTION 24-10-103 (4)
14 (b) (II) AND (4) (b) (V), C.R.S.

15 **SECTION 2. Act subject to petition - effective date.** This act
16 takes effect at 12:01 a.m. on the day following the expiration of the
17 ninety-day period after final adjournment of the general assembly
18 (August 5, 2015, if adjournment sine die is on May 6, 2015); except that,
19 if a referendum petition is filed pursuant to section 1 (3) of article V of
20 the state constitution against this act or an item, section, or part of this act
21 within such period, then the act, item, section, or part will not take effect
22 unless approved by the people at the general election to be held in
23 November 2016 and, in such case, will take effect on the date of the
24 official declaration of the vote thereon by the governor.