

**Title 19 – Department of Health and Senior Services
Division 20 – Division of Community and Public Health
Chapter 70 – Community-Based Faculty Preceptor Tax Credit**

PROPOSED RULE

19 CSR 20-70.010 Community-Based Faculty Preceptor Tax Credit

PURPOSE: This rule provides an income tax credit for qualified community-based faculty preceptors for physicians and physician assistants. This rule explains the Department of Health and Senior Services' Preceptor Tax Credit eligibility and how the qualifying individual may claim the credit.

(1) Definitions. The following definitions shall be used in the interpretation and enforcement of this rule:

(A) Community-based faculty preceptor or preceptor means a physician or physician assistant who is licensed in Missouri and provides preceptorships to Missouri medical students or physician assistant students without direct compensation for the work of precepting;

(B) Department means the Missouri Department of Health and Senior Services;

(C) Director means the Director of the Missouri Department of Health and Senior Services;

(D) Division means the Division of Professional Registration of the Department of Commerce and Insurance;

(E) Health Professional Shortage Area (HPSA) means a geographic area, population group, or facility designated by the United States Department of Health and Human Services' Health Resources and Services Administration (HRSA) with a shortage of primary care, dental health, or mental health providers and services.

(F) Medical student means an individual enrolled in a Missouri medical college approved and accredited as reputable by the American Medical Association or the Liaison Committee on Medical Education or enrolled in a Missouri osteopathic college approved and accredited as reputable by the Commission on Osteopathic College Accreditation;

(G) Medical student core preceptorship or physician assistant student core preceptorship means a Missouri preceptorship for a medical student or physician assistant student that provides a minimum of one hundred twenty (120) hours of community-based instruction in family medicine, internal medicine, pediatrics, psychiatry, or obstetrics and gynecology under the guidance of a community-based faculty preceptor. A community-based faculty preceptor may add together the amounts of preceptorship instruction time separately provided to multiple students in determining whether he or she has reached the minimum hours required under this subdivision, but the total preceptorship instruction time provided shall equal at least one

hundred twenty (120) hours in order for such preceptor to be eligible for the tax credit authorized under this rule;

(H) Physician assistant student means an individual participating in a Missouri physician assistant program accredited by the Accreditation Review Commission on Education for the Physician Assistant or its successor organization;

(I) Preceptorship rotation means one hundred twenty (120) hours of community-based instruction. One hundred twenty (120) hours of community-based instruction can be comprised of one (1) or multiple students to equal the number of preceptorship hours. The total one hundred twenty (120) hours of community-based instruction equates to one (1) preceptorship rotation, two hundred forty (240) hours equates to two (2) preceptorship rotations, and three hundred sixty (360) hours equates to three (3) preceptorship rotations;

(J) Primary Care HPSA means the shortage designation in primary care physicians, as set forth by HRSA, including all the primary care specialties in which a primary care physician could be licensed, to determine the primary care HPSA score;

(K) Primary Care HPSA score ranges from one (1) to 25 and demonstrates the shortage level of providers providing primary care services in the HPSA, the higher the score the greater the need;

(L) Taxpayer means any individual, firm, partner in a firm, corporation, or shareholder in an S corporation doing business in this state and subject to the state income tax imposed under Chapter 143, RSMo, excluding withholding tax imposed under sections 143.191 to 143.265, RSMo.

(2) Eligibility.

(A) In order to be eligible, the community-based faculty preceptor must:

1. Be a community-based faculty preceptor providing the preceptorship;
2. Hold a current and active license issued by the division;
3. Provide a medical or physician assistant student core preceptorship to one (1) or more medical student(s) or one (1) or more physician assistant student(s);
4. Complete a minimum of one (1) preceptorship rotation and up to three (3) preceptorship rotations during the tax year and not receive any direct compensation for the preceptorships; and
5. Provide a minimum of one hundred and twenty (120) hours of community-based instruction in family medicine, internal medicine, pediatrics, psychiatry, or obstetrics and gynecology in the tax year which the preceptorship is claimed.

(3) Application process.

(A) A preceptor shall complete at least one hundred and twenty (120) hours in at least one (1) type of instruction outlined in paragraph (2)(A)5. A community-based faculty preceptor may add together the amounts of preceptorship instruction time separately provided to multiple students in determining whether he or she has reached this minimum.

(B) A preceptor shall provide documentation of the following:

1. The name and address of the students' college or university and the name of the department head or the program director;
2. Preceptor's name;
3. Preceptor's phone number;
4. Preceptor's email address;
5. Preceptor's mailing address;
6. Preceptor's discipline and specialty, if applicable;
7. A statement that the preceptor agrees they did not and will not accept payment in any form for the preceptorship;
8. Total number of hours of instruction;
9. A signed statement on letterhead from preceptor's employer and/or students' university that verifies that the number of hours of instruction are correct.
10. The amount of tax credit claimed; and
11. The following information on each student:
 - A. First and last name;
 - B. Phone number;
 - C. Email address;
 - D. Type of rotation completed;
 - E. Beginning and completed dates of the rotation; and
 - F. Number of hours of completed rotation.

(C) Applications will be accepted during the entire calendar year and a preceptor shall submit documentation no later than January 31 for preceptorships completed the previous tax year.

Applications completed in accordance with this section will be accepted by electronic submission through the Preceptor Tax Credit Webpage at

<https://health.mo.gov/living/families/primarycare/precept/index.php>, or by mail at: ORHPC – Preceptor Tax Credit, PO Box 570, Jefferson City, MO 65102-0570

(4) Selection Process.

(A) All applications will be processed on a first-come, first-serve basis as received by the department. The applications will be stamped with the date received by the department if the application is sent via regular mail or by UPS, USPS, FedEx, DHL, or other carrier.

Applications received electronically will be considered received based on the date stamp on the electronic submission. It is the responsibility of the applicant to verify that an application has been received in a timely manner. Each application received by the department will be

reviewed for completeness. Tax credits will be issued based on applicants' qualifications and are subject to the availability of funds. Verification processing times may be delayed if a particular application requires follow-up. For the purposes of this regulation, an electronic submission is considered an original copy of the application.

1. No more than two hundred (200) preceptorship tax credits can be authorized nor can credits exceed two hundred thousand dollars (\$200,000) for any one (1) calendar year. Tax credits are subject to the availability of funds.
2. Applications will be prioritized in the following manner:
 - A. First-come, first-serve basis.
 - B. Applications received on the same day will be prioritized by highest HPSA score of the location of the preceptor's employer.
 - C. Applications will be selected by the most underserved area as indicated by the highest HPSA score of the location of the preceptorship.
 - D. In the event that there are fewer remaining tax credits than qualified applicants, or a tie for the last remaining credit, and with all of those applicants having equal status in priority, the remaining tax credits will be selected by lottery.

(5) Tax Credit Issuance.

- (A) Upon each determination, the department will issue, to the preceptors awarded, a certification affirming the taxpayer's eligibility for the tax credits by March 1 of the year following the preceptorship. To receive the credit allowed by this rule, the certification provided to the taxpayer by the department shall be filed by the taxpayer with their income tax return for the year which he or she completes the preceptorship rotations.
- (B) Subject to the availability of funds, preceptors shall be allowed a credit against the tax otherwise due under Chapter 143, RSMo, excluding withholding tax imposed under sections 143.191 to 143.265, RSMo, in an amount equal to one thousand dollars (\$1,000) for each completed preceptorship rotation, up to a maximum of three thousand dollars (\$3,000) per preceptor per tax year.
- (C) The taxpayer shall not receive a preceptorship tax credit from the department of revenue, under this rule, that exceeds their tax liability for the tax year for which such credit is claimed. Nor shall a taxpayer be allowed a tax credit against his or her tax liability for any prior or succeeding tax year. This may result in a credit of less than one thousand dollars (\$1,000).
- (D) No amount of any tax credit allowed under this rule shall be refundable. No tax credit allowed under this rule shall be transferred, sold, or assigned. No taxpayer shall be eligible to receive the tax credit authorized under this rule if such taxpayer employs persons who are not authorized to work in the United States under federal law.

(E)The department of revenue shall be responsible for verifying that the tax credit does not result in exceeding the taxpayer's income tax liability and shall only authorize the portion of the tax credit that does not result in a refund.

AUTHORITY: Section [Section 135.690](#), RSMo, Proposed rule filed June 9, 2023, effective [date], expires [date].

PUBLIC COST: This proposed rule is estimated to cost state agencies or political subdivisions at least \$216,125 in the first year period and \$227,882 to \$228,124 annually thereafter.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred (\$500) dollars in the time aggregate.

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with Sara Davenport, Missouri Department of Health and Senior Services, P.O. Box 570, Jefferson City, MO 65102, or via email at ORHPCInfo@health.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*