

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE  
FOR

SENATE BILL NO. 1504

By: Thompson (Kristen) and  
Garvin of the Senate

and

McEntire of the House

COMMITTEE SUBSTITUTE

An Act relating to medical preceptorship training; defining terms; providing income tax credit for certain individuals who conduct a preceptorship rotation; providing amount of and basis for credit; providing limitations on credits allowed; prohibiting refundability of credit; authorizing the carry forward of credit; directing the State Board of Medical Licensure and Supervision, the State Board of Osteopathic Examiners, and the Oklahoma Board of Nursing 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 Licensure and Supervision, the State Board of Osteopathic Examiners, and the Oklahoma Board of Nursing to deposit certain fees in revolving fund for certain purpose; requiring submission of 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 Tax Credit Revolving Fund; specifying sources of funds; providing for transfer of monies to Oklahoma Tax Commission; requiring apportionment of monies; authorizing administrative expenditures; stating

1           purpose; providing for codification; providing an  
2           effective date; and declaring an emergency.

3  
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

8           A. As used in this section:

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

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

17          3. "Medical student" means a student currently enrolled in a  
18 medical school in this state or a school or college of osteopathic  
19 medicine in this state;

20          4. "Physician assistant student" means an individual  
21 participating in a state-supported training program in this state  
22 that is approved by the State Board of Medical Licensure and  
23 Supervision for the training of individuals to become physician  
24

1 assistants as defined in Section 519.2 of Title 59 of the Oklahoma  
2 Statutes;

3 5. "Preceptorship rotation" means a period of preceptorship  
4 training of one or more medical students, residents, physician  
5 assistant students, or advanced practice registered nurses that in  
6 aggregate totals one hundred sixty (160) hours;

7 6. "Preceptorship training" means uncompensated training of a  
8 medical student, resident, physician assistant student, or advanced  
9 practice registered nurse enrolled in a training program in this  
10 state;

11 7. "Primary care physician" shall mean a physician practicing  
12 in family medicine, geriatrics, general internal medicine, or  
13 general pediatrics;

14 8. "Resident" means an allopathic physician or osteopathic  
15 physician pursuing postgraduate medical education at a program  
16 supported by a medical school or a school or college of osteopathic  
17 medicine in this state; and

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

21 B. 1. For tax years 2025 through 2034, there shall be allowed  
22 a credit against the tax imposed pursuant to Section 2355 of Title  
23 68 of the Oklahoma Statutes for a faculty preceptor who conducts a  
24 preceptorship rotation.

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

5            a. for a medical student or resident, Five Hundred  
6                Dollars (\$500.00) each for the first, second, or third  
7                preceptorship rotations and One Thousand Dollars  
8                (\$1,000.00) each for up to seven subsequent rotations,  
9                and

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

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

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

21        E. 1. The State Board of Medical Licensure and Supervision  
22 shall award the credit authorized by subsection B of this section to  
23 faculty preceptors for preceptorship rotations of:  
24

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

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

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

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

F. 1. The credits awarded by the State Board of Medical Licensure and Supervision under subparagraphs a and b of paragraph 1 of subsection E of this section for the tax year shall not exceed the amount deposited to the Physician Preceptor Tax Credit Revolving Fund created in Section 2 of this act during the fiscal year ending

1 on the June 30 date immediately preceding the date upon which the  
2 applicable income tax year begins.

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

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

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

1       G. Partial claims for credit may be awarded. Credits earned  
2 but not allowed due to the application of the limitation provided in  
3 this section shall be considered suspended and authorized to be used  
4 in the subsequent tax year and applied to the next tax year's  
5 limitation.

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

8       1. Claim the credit for the tax year in which the preceptorship  
9 rotation was completed;

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

12       3. Supply supporting documentation as may be required by the  
13 State Board of Medical Licensure and Supervision, the State Board of  
14 Osteopathic Examiners, or the Oklahoma Board of Nursing.

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

21       2. The State Board of Medical Licensure and Supervision shall  
22 reserve Two Dollars (\$2.00) of every annual licensure fee received  
23 from physician assistants and shall deposit the sum to the Physician  
24 Assistant Preceptor Tax Credit Revolving Fund created in Section 3

1 of this act for the purpose of providing funding for the credit  
2 authorized by this section.

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

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

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

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



1 of this act, the Osteopathic Physician Preceptor Tax Credit  
2 Revolving Fund created in Section 4 of this act, and the Advanced  
3 Practice Registered Nurses Preceptor Tax Credit Revolving Fund  
4 created in Section 5 of this act.

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

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

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

1 required for payment of administrative expenses, which shall not  
2 exceed five percent (5%) of monies apportioned to the fund, or which  
3 are not required to be transferred to the Oklahoma Tax Commission as  
4 otherwise required by this act to offset the revenue impacted by the  
5 use of the income tax credits awarded pursuant to Section 1 of this  
6 act may be used to implement programs required or authorized by law.

7       SECTION 3.       NEW LAW       A new section of law to be codified  
8 in the Oklahoma Statutes as Section 519.8a 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 Assistant Preceptor Tax Credit Revolving  
13 Fund". The fund shall be a continuing fund, not subject to fiscal  
14 year limitations, and shall consist of the monies received by the  
15 Board from a portion of licensure fees received from physician  
16 assistants under subsection I of Section 1 of this act. All monies  
17 accruing to the credit of the fund are hereby appropriated and the  
18 fund shall be used to make a transfer payment to the Oklahoma Tax  
19 Commission in an amount equal to the amount of tax credits awarded  
20 pursuant to this act. The Oklahoma Tax Commission shall apportion  
21 monies transferred from the fund in the same manner as provided by  
22 Section 2352 of Title 68 of the Oklahoma Statutes. Monies in the  
23 fund which are not required for payment of administrative expenses,  
24 which shall not exceed five percent (5%) of monies apportioned to

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

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

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

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

5 SECTION 5. NEW LAW A new section of law to be codified  
6 in the Oklahoma Statutes as Section 567.31 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 Oklahoma Board of Nursing to be designated the "Advanced  
10 Practice Registered Nurses Preceptor Tax Credit Revolving Fund".  
11 The fund shall be a continuing fund, not subject to fiscal year  
12 limitations, and shall consist of the monies received by the Board  
13 from a portion of licensure fees received from advanced practice  
14 registered nurses under subsection I of Section 1 of this act. All  
15 monies accruing to the credit of the fund are hereby appropriated  
16 and the fund shall be used to make a transfer payment to the  
17 Oklahoma Tax Commission in an amount equal to the amount of tax  
18 credits awarded pursuant to this act. The Oklahoma Tax Commission  
19 shall apportion monies transferred from the fund in the same manner  
20 as provided by Section 2352 of Title 68 of the Oklahoma Statutes.  
21 Monies in the fund which are not required for payment of  
22 administrative expenses, which shall not exceed five percent (5%) of  
23 monies apportioned to the fund, or which are not required to be  
24 transferred to the Oklahoma Tax Commission as otherwise required by

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

4 SECTION 6. This act shall become effective July 1, 2024.

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

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