COMMITTEE AMENDMENT ADOPTED

March 7, 2017

**S. 351**

Introduced by Senator Alexander

S. Printed 3/7/17--S.

Read the first time February 2, 2017.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3790 SO AS TO ALLOW AN INCOME TAX CREDIT FOR EACH CLINICAL ROTATION SERVED BY A PHYSICIAN, ADVANCED PRACTICE NURSE, OR PHYSICIAN ASSISTANT AS A PRECEPTOR FOR CERTAIN PROGRAMS.

Amend Title To Conform

Whereas, increasing the pipeline with primary care medical, advanced practice nursing, and physician assistant providers in South Carolina is vital; and

Whereas, South Carolina is a largely rural state with a population of 4.8 million and is ranked 42nd nationally in overall health rankings; and

Whereas, South Carolina is ranked 39th nationally regarding patient access to health care services and 43rd for total supply of primary care practicing physicians; and

Whereas, such health statistics along with the shortage and maldistribution of health care professionals are alarming, resulting in a grade of “F” in health care according to the South Carolina Department of Health and Environmental Control (DHEC); and

Whereas, according to DHEC, all forty‑six South Carolina counties are federally designated as being total or partial Medically Underserved Areas/Populations, forty‑three counties as Health Professional Shortage Areas (HPSA), with twenty‑nine categorized as low income HPSAs, and fifteen fulfilling the criteria as geographic HPSAs, the designation used for the most underserved counties. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. A. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3790. (A)(1) Beginning after 2016, and ending after 2021, there is allowed an income tax credit for each clinical rotation a physician serves as the preceptor for a medical school required clinical rotation, advanced practice nursing program required clinical rotation, and physician assistant program required clinical rotation.

(2) If at least fifty percent of the physician’s practice consists of a combined total of Medicaid insured, Medicare insured, and self‑pay patients, then the credit is equal to one thousand dollars for each rotation served, not to exceed four thousand dollars a year.

(3) If at least thirty percent of the physician’s practice consists of a combined total of Medicaid insured, Medicare insured, and self‑pay patients, then the credit is equal to seven hundred fifty dollars for each rotation served, not to exceed three thousand dollars a year.

(4) If less than thirty percent of the physician’s practice consists of a combined total of Medicaid insured, Medicare insured, and self‑pay patients, then the credit is disallowed.

(5) The credits allowed by this subsection are not cumulative and may not be combined.

(B)(1) Beginning after 2016 and ending after 2021, there is allowed an income tax credit for each clinical rotation an advanced practice registered nurse or physician assistant serves as the preceptor for an advanced practice nursing or physician assistant required clinical rotation.

(2) If at least fifty percent of the advanced practice registered nurse’s or physician assistant’s practice consists of a combined total of Medicaid insured, Medicare insured, and self‑pay patients, then the credit is equal to seven hundred fifty dollars for each rotation served, not to exceed three thousand dollars a year.

(3) If at least thirty percent of the advanced practice registered nurse’s or physician assistant’s practice consists of a combined total of Medicaid insured, Medicare insured, and self‑pay patients, then the credit is equal to five hundred dollars for each rotation served, not to exceed two thousand dollars a year.

(4) If less than thirty percent of the advance practice registered nurse’s or physician assistant’s practice consists of a combined total of Medicaid insured, Medicare insured, and self‑pay patients, then the credit is disallowed.

(5) The credits allowed by this subsection are not cumulative and may not be combined.

(C) A credit earned pursuant to this section is considered earned in the tax year in which the rotation is served. Fifty percent of the credit earned may be claimed in the tax year in which it is earned, and the remaining fifty percent may be claimed in the next tax year. However, the credit claimed in a tax year may not exceed fifty percent of the taxpayer’s remaining tax liability after all other credits have been applied. Any unused credit may be carried over to the immediately succeeding taxable years, except that the credit carry‑over may not be used for a taxable year that begins more than ten years from the year the credit was earned.

(D) Beginning after 2016, and ending after 2021, if a taxpayer earns the maximum annual credit amount allowed by this section, and the taxpayer serves additional rotations that otherwise would have qualified for the credit, then the taxpayer may claim a deduction in an amount equal to the amount that credit would have equaled. A taxpayer may earn the deduction allowed by this subsection up to six times a tax year.

(E) By March thirsty‑first of each year, the department shall report to the Senate Finance Committee, the House Ways and Means Committee, and the Governor the number of taxpayers claiming the credit allowed by this section, the total amount of credits allowed, and the number of hours the recipient taxpayers served as preceptors. The department must disaggregate taxpayers between physicians, advanced practice registered nurses, and physician assistants.

(F) The department may consult with a designated administrative entity to determine eligibility and may require any proof it determines necessary to efficiently administer the credit allowed by this section. The department may promulgate regulations necessary to implement the provisions of this section.

(G) For purposes of this section:

(1) ‘Independent institution of higher learning’ has the same meaning as provided in Section 59-113-50.

(2) ‘Preceptor’ means a physician, advanced practice nurse practitioner, or physician assistant who provides supervision and instruction during student clinical training experiences, is otherwise not compensated for doing so, and provides a minimum of two required clinical rotations within a calendar year.

(3) ‘Medical school required clinical rotation’, ‘physician assistant program required clinical rotation’, or ‘advanced practice nursing program required clinical rotation’ means a clinical rotation for a public teaching institution or independent institution of higher learning which:

(a) is established for a student who is enrolled in a South Carolina public teaching institution or an independent institution of higher learning:

(i) medical school;

(ii) physician assistant program; or

(iii) advanced practice nursing program; and

(b) includes a minimum of one hundred sixty hours of instruction in one of the following clinical settings:

(i) family medicine;

(ii) internal medicine;

(iii) pediatrics;

(iv) obstetrics and gynecology;

(v) emergency medicine;

(vi) psychiatry;

(vii) general surgery under the guidance of a physician, advanced practice registered nurse, or physician assistant.”

B. Section 12-6-1140 of the 1976 Code, as last amended by Act 165 of 2016, is amended further by adding an appropriately numbered item at the end to read:

“( )(a) amounts earned pursuant to Section 12-6-3790(D) for each clinical rotation a physician serves as the preceptor for a medical school required clinical rotation, advanced practice nursing program required clinical rotation, and physician assistant program required clinical rotation.

(b) amounts earned pursuant to Section 12-6-3790(D) for each clinical rotation an advanced practice registered nurse or physician assistant serves as the preceptor for an advanced practice nursing or physician assistant required clinical rotation.”

SECTION 2. This act takes effect upon approval by the Governor.

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