

HOUSE BILL 1839

By Parkinson

AN ACT to amend Tennessee Code Annotated, Title 67,  
relative to the "Mental Health Preceptor Tax  
Incentive Program."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act is known and may be cited as the "Mental Health Preceptor Tax Incentive Program."

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 4, Part 1, is amended by adding the following as a new section:

(a) As used in this section, unless the context otherwise requires:

(1) "Advanced practice registered nurse student" means an individual participating in a training program in this state that is accredited by a nationally recognized accrediting body for advanced practice registered nursing programs for the training of individuals to become advanced practice registered nurses as defined in § 63-7-126;

(2) "Community-based faculty preceptor" means an individual who is:

(A)

(i) A physician as defined in § 56-7-3702, an advanced practice registered nurse as defined in § 63-7-126, or a physician assistant as defined in § 63-19-102, and whose professional practice is primarily limited to providing mental health services;  
and

(ii) Licensed as such by this state; or

(B) A psychologist as described in § 63-11-201, or a psychiatrist as defined in § 63-6-204(f), and licensed as such by this state;

(3) "Employer" means a person or private business employing one (1) or more persons meeting the requirements of a community-based faculty preceptor;

(4) "Medical student" means an individual participating in a training program in this state that is approved by the board of medical examiners for the training of doctors of medicine or doctors of osteopathic medicine;

(5) "Physician assistant student" means an individual participating in a training program in this state that is approved by the board of physician assistants for the training of individuals to become physician assistants as defined in § 63-19-102;

(6) "Preceptorship rotation" means a period of preceptorship training of one (1) or more medical students, physician assistant students, or advanced practice registered nurse students that in aggregate totals one hundred sixty (160) hours; and

(7) "Preceptorship training" means uncompensated community-based training of a medical student, advanced practice registered nurse student, or physician assistant student matriculating in a training program in this state.

(b)

(1) The employer of a community-based faculty preceptor is allowed a credit against the employer's franchise and excise taxes paid for each employed preceptor who completes a preceptorship rotation that has a focus on mental health services.

(2) Credit is accrued on a per preceptorship rotation basis as follows:

(A) For each community-based faculty preceptor who is a physician, in the amount of five hundred dollars (\$500) for the first, second, or third preceptorship rotation that focuses on mental health services and one thousand dollars (\$1000) for each subsequent rotation through the tenth preceptorship rotation that focuses on mental health services completed in the same calendar year for a maximum credit of eight thousand five hundred dollars (\$8,500); and

(B) For each community-based faculty preceptor who is an advanced practice registered nurse or a physician assistant, in the amount of three hundred seventy-five dollars (\$375) for the first, second, or third preceptorship rotation that focuses on mental health services and seven hundred fifty dollars (\$750) for each subsequent rotation through the tenth preceptorship rotation that focuses on mental health services completed in the same calendar year for a maximum credit of six thousand three hundred seventy-five dollars (\$6,375).

(3) Credit must not accrue for more than ten (10) preceptorship rotations that focus on mental health services per community-based faculty preceptor in a calendar year.

(c) To receive the credit allowed by this section, an employer shall:

(1) Claim the credit on the employer's franchise and excise tax returns for the tax year in which preceptorship rotations that focus on mental health services are completed;

(2) Certify that the community-based faculty preceptor for whom credit is claimed did not receive payment during the tax year from any source for the

training of the medical student, advanced practice registered nurse student, or physician assistant student; and

(3) Submit supporting documentation as prescribed by the commissioner of revenue.

(d) In no event must the total amount of the tax credit under this section for a taxable year exceed the taxpayer's franchise and excise tax liability. A taxpayer is not allowed to apply a tax credit earned pursuant to this section against a prior or succeeding year's tax liability.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it, and applies to tax years beginning on or after January 1, 2025.