

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1670

By: Representative L. Johnson

For An Act To Be Entitled

AN ACT TO AMEND STATE INCOME TAX LAWS; TO CREATE THE PRECEPTOR TAX INCENTIVE PROGRAM; TO PROVIDE INCENTIVES FOR CERTAIN MEDICAL OR COUNSELING PROFESSIONALS TO TRAIN CERTAIN STUDENTS WHO ARE LEARNING TO BECOME MEDICAL OR COUNSELING PROFESSIONALS; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE PRECEPTOR TAX INCENTIVE PROGRAM; AND TO PROVIDE INCENTIVES FOR CERTAIN MEDICAL OR COUNSELING PROFESSIONALS TO TRAIN CERTAIN STUDENTS WHO ARE LEARNING TO BECOME MEDICAL OR COUNSELING PROFESSIONALS.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, is amended to add an additional subchapter to read as follows:

Subchapter 29 – Preceptor Tax Incentive Program

26-51-2901. Title.

This subchapter shall be known and may be cited as the "Preceptor Tax Incentive Program".

26-51-2902. Definitions.

As used in this subchapter:



03/04/2025 2:06:09 PM CEB035

(1) "Counseling student" means an individual participating in a training program that is accredited by a nationally recognized accrediting body for training a student to become a licensed professional counselor, licensed associate counselor, licensed marriage and family therapist, or licensed associate marriage and family therapist under § 17-27-101 et seq.;

(2) "Faculty preceptor" means an individual who is a:

(A) Physician licensed under the Arkansas Medical Practices Act, § 17-95-201 et seq., § 17-95-301 et seq., and § 17-95-401 et seq.;

(B) Registered nurse, advanced practice registered nurse, or registered nurse practitioner under § 17-87-101 et seq.;

(C) Physician assistant licensed under § 17-105-101 et seq.; or

(D) A licensed professional counselor, licensed associate counselor, or licensed marriage and family therapist by the Arkansas Board of Examiners in Counseling under § 17-27-101 et seq.;

(3) "Medical student" means an individual participating in a training program that is accredited by a nationally recognized accrediting body for training a student to become a physician licensed to practice medicine under the Arkansas Medical Practices Act § 17-95-201 et seq., § 17-95-301 et seq., and § 17-95-401 et seq.;

(4) "Nursing student" means an individual participating in a training program that is accredited by a nationally recognized accrediting body for training a student to become a registered nurse, advanced practice registered nurse, or registered nurse practitioner under § 17-87-101 et seq.;

(5) "Physician" means an individual licensed to practice medicine under the Arkansas Medical Practices Act, § 17-95-201 et seq., § 17-95-301 et seq., and § 17-95-401 et seq.;

(6) "Physician assistant student" means an individual participating in a training program that is accredited by a nationally recognized accrediting body for training a student to become a physician assistant as defined in § 17-105-101 et seq.;

(7) "Preceptorship rotation" means a period of preceptorship training of one (1) or more residents, medical students, physician assistant students, counseling students, or nursing students that occurs in the state in aggregate totals at least one hundred sixty (160) hours;

(8) "Preceptorship training" means training of a resident, medical student, counseling student, nursing student, or physician assistant student that is required for completion of an accredited training program; and

(9) "Resident" means an individual participating in a graduate medical education training program accredited by the Accreditation Council for Graduate Medical Education.

26-51-2903. Uncompensated faculty preceptor – Definition.

(a) As used in this section, "uncompensated faculty preceptor" means the faculty preceptor who:

(1) Provides a preceptorship rotation; and

(2) Does not receive any kind of financial remuneration from any party for conducting the preceptorship rotation.

(b)(1) An uncompensated faculty preceptor is allowed an income tax credit against the income tax imposed by this chapter in the amount determined under subsection (c) of this section for wages he or she receives as a physician, licensed professional counselor, licensed associate counselor, licensed marriage and family therapist, professional nurse, advanced practice registered nurse, registered nurse practitioner, or physician assistant.

(2) If the amount of the income tax credit allowed under this section exceeds the taxpayer's income tax liability, the excess shall be refunded to the taxpayer.

(c)(1) The amount of the tax credit allowed under subsection (b) of this section is one thousand dollars (\$1,000) for each resident, medical student, physician assistant student, counseling student, or nursing student who participates in the preceptorship training during the calendar year.

(2) The taxpayer shall not claim more than ten thousand dollars (\$10,000) per year in income tax credits under this section.

26-51-2904. Compensated faculty preceptor – Definition.

(a) As used in this section, "compensated faculty preceptor" means a faculty preceptor who:

(1) Provides a preceptorship rotation; and

(2) Receives payment as an independent contractor as

compensation for conducting the preceptorship rotation paid for by the school at which the medical student, nursing student, counseling student, or physician assistant student has matriculated.

(b)(1) A compensated faculty preceptor is allowed an income tax credit against the income tax imposed by this chapter in the amount determined under subsection (c) of this section for payments he or she receives as an independent contractor for conducting the preceptorship training.

(2) If the amount of the income tax credit allowed under this section exceeds the taxpayer's income tax liability, the excess shall be refunded to the taxpayer.

(c) The amount of the tax credit allowed under subsection (b) of this section is equal to the amount the taxpayer received as compensation for conducting the preceptorship training, not to exceed six thousand dollars (\$6,000) per taxpayer.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2025.