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## **OLR Bill Analysis**

### **sHB 5464**

#### ***AN ACT ESTABLISHING A TAX CREDIT FOR PROVIDERS OF CLINICAL NURSING EXPERIENCES.***

#### **SUMMARY**

This bill creates an income tax credit for state-licensed individuals (“preceptors”) who provide clinical nursing experiences involving patient care to students as part of their nursing education program curriculum (“preceptorships”).

The bill allows preceptors who provide these experiences to students in bachelor’s, master’s, or doctoral programs at Connecticut higher education institutions to claim a \$1,000 credit against the income tax (but not the withholding tax) per every 100 preceptor hours provided, up to \$4,000 per tax year. It also places some additional eligibility conditions and limits upon preceptors who wish to claim the tax credit.

The bill caps the total annual credits that may be awarded at \$1.5 million per fiscal year and establishes a process for preceptors to apply to claim the credit.

**EFFECTIVE DATE:** January 1, 2022, and applicable to tax years beginning on that date or later.

#### **ELIGIBILITY CONDITIONS AND LIMITS**

Under the bill, to be eligible to claim the tax credit, the preceptor must (1) provide the preceptorship hours at no cost to the nursing student or the student’s higher education institution, (2) not claim any other credit against his or her tax liability under any state law for the same 100 preceptorship hours, and (3) apply to the public health commissioner to claim the credit.

Additionally, the bill limits the preceptor to (1) claiming no more

than \$4,000 for this credit in any tax year, (2) using the credit to reduce his or her income tax liability only in the tax year in which he or she provided the 100 preceptorship hours, and (3) claiming the credit only if no other preceptor claimed that credit for the same 100 hours.

### **APPLICATION PROCESS**

Under the bill, the preceptor's application to the public health commissioner for the tax credit must contain all information required by the commissioner. The information must include documentation of the completed preceptorship hours and the agreement between the preceptor and the higher education institution to provide preceptorships.

The bill requires the commissioner to render a written decision on each completed application within 30 days after receiving it. The commissioner must issue a certification letter to the preceptor indicating that the credit will be available for the preceptor to claim if she finds that the (1) preceptor meets the requirements and (2) total credit amounts claimed in the fiscal year have not exceeded the \$1.5 million limit. (It is unclear how the commissioner would determine how many credits have been claimed in each fiscal year.)

### **COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/22/2021)