



FISCAL NOTE

House Bill 133

Committee: Finance and Taxation Education Sponsor: Representative Neil Rafferty
Analyst: Tiffany Weaver Date: 05/31/2023

House Bill 133 as reported by the Committee on Finance and Taxation Education would decrease income tax receipts to the Education Trust Fund (ETF) by an estimated \$780,000 annually by allowing certain preceptors to claim an income tax credit of either \$425 or \$500 per rotation, capped at \$5,100 or \$6,000 annually, respectively, per preceptor, dependent on the type of preceptor. This bill would also increase the administrative obligations of: (1) the Alabama Statewide Area Health Education Center (AHEC) Program Office, housed at the University of Alabama-Birmingham, to complete an assessment of the current number and need of preceptors in the state, meet annual performance reporting requirements, and then administer the preceptor tax incentive program created by this bill; (2) the Alabama Commission on the Evaluation of Services to work with AHEC to develop performance metrics and complete an evaluation of the program in fiscal year 2030; and (3) the Department of Revenue to adopt rules to administer tax credits provided by this bill. This bill would repeal the program on September 29, 2031.

Pursuant to the provisions of the ETF Rolling Reserve Act contained in Section 29-9-3(b)(3), Code of Alabama 1975, the provisions of this bill would reduce the ETF fiscal year appropriation cap for fiscal year 2025 by \$780,000.