

March 3, 2025

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
300 SW 10th Avenue, Room 548-S
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 224 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 224 is respectfully submitted to your committee.

SB 224 would enact the Preceptor Income Tax Incentive Act. The bill would define a community-based faculty preceptor, or preceptor, as an individual who is licensed by the State of Kansas as a nursing home administrator, registered nurse, or registered dietitian. The bill would define preceptorship as an uncompensated mentoring experience in which a community-based faculty preceptor provides a program of personalized instruction, training, and supervision to a Board of Regents student or a student of a postsecondary institution. The bill would define a student as an individual participating in a training program for the training of nursing home administrator, registered nurse, or certified dietary manager from a postsecondary institution or from an entity approved to provide continuing education programs or courses approved by the Board of Adult Care Home Administrators.

The bill would provide a non-refundable income tax credit to a community-based faculty preceptor that conducts a preceptorship for a student. For every 40 hours of precepting provided to a student, the preceptor would be entitled to a \$250 income tax credit beginning in tax year 2025. The bill would not limit the amount of tax credits a community-based faculty preceptor could accrue based on the number of completed 40 hours the preceptor completes during the tax year. The bill includes certification requirements for a preceptor and reporting requirements for education institutions. A preceptor would not accrue tax credits if the preceptor or their employer is compensated by another organization for the same preceptorship.

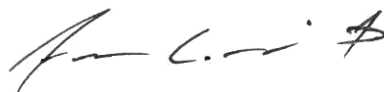
Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
Expenditures			
State General Fund	--	\$108,985	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$108,985	--
Revenues			
State General Fund	--	(\$1,500,000)	(\$1,500,000)
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	(\$1,500,000)	(\$1,500,000)
FTE Positions	--	--	--

The Department of Revenue estimates that SB 224 would decrease State General Fund revenues by \$1.5 million in FY 2026 and in each future fiscal year. To formulate these estimates, the Department of Revenue reviewed data that shows there are currently 61,828 licensed registered nurses, licensed nurse practitioners, and employed dietitians in Kansas. If 10.0 percent of these licensed individuals claim tax credits for 120 hours assisting with a clinical course and one third of these tax credits are allowed against tax liability, then this new tax credit would reduce State General Fund revenues by approximately \$1.5 million each year beginning in FY 2026.

The Department indicates that the bill would require \$108,985 from the State General Fund in FY 2026 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department’s programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department’s current budget may be required.

The Board of Regents indicates that the bill would have no fiscal effect on its operations. Any fiscal effect associated with SB 224 is not reflected in *The FY 2026 Governor’s Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Becky Pottebaum, Board of Regents
Lynn Robinson, Department of Revenue