

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB305

Hearing Date: Thursday January 30, 2025
Committee On: Revenue
Introducer: Ibach
One Liner: Adopt the Preceptorship Tax Credit Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators von Gillern, Bostar, Dungan, Ibach, Jacobson, Kauth, Murman, Sorrentino
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Teresa Ibach
Richard Fruehling, M.D.
Anna Dalrymple, M.D.
Hunter Allen, M.D.
Jed Hansen

Representing:

Opening Presenter
Nebraska Academy of Family Physicians
Nebraska Academy of Family Physicians
Nebraska Academy of Family Physicians
Nebraska Rural Health Association

Opponents:

Representing:

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB305 creates the Preceptorship Tax Credit Act (Act), which would allow licensed physicians who are uncompensated preceptors in a preceptorship program to claim a nonrefundable tax credit.

LB305 authorizes the Department of Revenue (Department) to approve up to \$1,000,000 in tax credits per fiscal year and create rules, regulations, and forms necessary for applicants. The bill outlines the procedure for dispersing tax credits.

Section-by-Section Summary:

Section 1: Creates the Preceptorship Tax Credit Act.



Section 2: Provides definitions for the Act.

Section 3: Provides that for tax years beginning on or after January 1, 2026, a licensed physician who is an uncompensated preceptor in a preceptorship program is eligible for a nonrefundable tax credit under the Act. The tax credit shall be \$1,000 per 80-hour clinical rotation, and is capped at \$5,000 per tax year.

Section 4: Outlines the process for physicians to claim the tax credit under the Act. The application must include an affidavit in addition to other forms or documentation required by the Department. The Department shall issue the tax credit to qualified applicants up to \$1,000,000 in total credits per fiscal year. Establishes priority to physicians in rural areas and outlines the process for applications received on the same day the annual limit is reached.

Section 5: Establishes that the tax credit is not transferable.

Section 6: Authorizes the Department to adopt and promulgate rules and regulations to carry the Act.

Section 7: Amends section 77-2715.07(3) for harmonization purposes to include the Act in the list of nonrefundable tax credits.

Section 8: Repealer.

R. Brad von Gillern, Chairperson

