

Chapter 386

(House Bill 1494)

AN ACT concerning

Income Tax – Credit for ~~Physician~~ Preceptors in Areas With Health Care Workforce Shortages

FOR the purpose of authorizing a credit against the State income tax for certain individuals who, under certain circumstances, serve as ~~physician~~ preceptors in certain preceptorship programs and work in certain areas of the State with health care workforce shortages; providing that the credit may not exceed the State income tax for that taxable year and that any unused credit may not be carried over to any other taxable year; providing for the calculation of the credit; requiring the Department of Health and Mental Hygiene, on application of a taxpayer, to issue a tax credit certificate under certain circumstances; requiring the application to contain certain information; providing for the maximum amount of a tax credit certificate that may be issued; requiring the Department to approve applications on a first-come, first-served basis and notify applicants of approval or denial of an application within a certain number of days of receipt of the application; providing that the total number of tax credit certificates issued by the Department may not exceed a certain amount for each taxable year; providing that tax credit certificate amounts not issued during a taxable year may be carried over and issued during the next taxable year; requiring the Department to report certain information to the Comptroller and the General Assembly on or before a certain date each year; requiring the Department, in consultation with the Governor's Workforce Investment Board, to adopt certain regulations; establishing the Nurse Practitioner Preceptorship Tax Credit Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; authorizing a certain amount of the unspent portion of money transferred to the Office of Student Financial Assistance for use under the Health Personnel Shortage Incentive Grant Program to be transferred or revert to the General Fund only for a certain purpose; requiring the State Board of Nursing to assess a certain fee for the renewal of a certain certification; requiring the Board to pay the fee collected into the Fund; defining certain terms; providing for the application of this Act; providing for the termination of this Act; and generally relating to a credit against the State income tax for certain ~~physician~~ preceptors in certain areas with health care workforce shortages.

BY adding to

Article – Tax – General

Section 10-737 and 10-738

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

Section 18–803(b)(1) and (2)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 18–803(e)(2)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – Education

Section 18–803(e)(3)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Health Occupations

Section 8–206(b)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Tax – General

10–737.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DEPARTMENT” MEANS THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

(3) “LICENSED PHYSICIAN” MEANS AN INDIVIDUAL WHO IS LICENSED TO PRACTICE MEDICINE UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE.

(4) “PRECEPTORSHIP PROGRAM” MEANS AN ORGANIZED SYSTEM OF CLINICAL EXPERIENCE THAT, FOR THE PURPOSE OF ATTAINING SPECIFIED LEARNING OBJECTIVES, PAIRS AN ENROLLED STUDENT OF A LIAISON COMMITTEE ON MEDICAL EDUCATION–ACCREDITED MEDICAL SCHOOL IN THE STATE OR AN

~~INDIVIDUAL IN A POSTGRADUATE MEDICAL TRAINING PROGRAM IN THE STATE THAT IS APPROVED BY THE STATE BOARD OF PHYSICIANS~~ WITH A LICENSED PHYSICIAN WHO MEETS THE QUALIFICATIONS AS A PRECEPTOR.

(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A LICENSED PHYSICIAN MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT STATED ON THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C) OF THIS SECTION FOR THE TAXABLE YEAR IN WHICH THE LICENSED PHYSICIAN SERVED WITHOUT COMPENSATION AS A PHYSICIAN PRECEPTOR IN A PRECEPTORSHIP PROGRAM ~~APPROVED BY THE STATE BOARD OF PHYSICIANS~~ AUTHORIZED BY AN ACCREDITED MEDICAL SCHOOL IN THE STATE AND WORKED:

(I) A MINIMUM OF THREE ROTATIONS, EACH CONSISTING OF 160 HOURS OF COMMUNITY-BASED CLINICAL TRAINING; AND

(II) IN AN AREA OF THE STATE IDENTIFIED AS HAVING A HEALTH CARE WORKFORCE SHORTAGE BY THE DEPARTMENT, IN CONSULTATION WITH THE GOVERNOR'S WORKFORCE INVESTMENT BOARD.

(2) (I) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX IMPOSED FOR THAT TAXABLE YEAR.

(II) ANY UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(C) (1) ON APPLICATION BY A LICENSED PHYSICIAN, THE DEPARTMENT SHALL ISSUE A CREDIT CERTIFICATE IN THE AMOUNT OF \$1,000 FOR EACH STUDENT FOR WHOM THE LICENSED PHYSICIAN SERVED AS A PHYSICIAN PRECEPTOR WITHOUT COMPENSATION.

(2) THE APPLICATION SHALL CONTAIN:

(I) THE NAME OF THE LICENSED PHYSICIAN;

(II) INFORMATION IDENTIFYING THE PHYSICIAN PRECEPTORSHIP IN WHICH THE LICENSED PHYSICIAN PARTICIPATED;

(III) THE NUMBER AND NAMES OF THE STUDENTS FOR WHOM THE INDIVIDUAL SERVED AS A PHYSICIAN PRECEPTOR WITHOUT COMPENSATION; AND

(IV) ANY OTHER INFORMATION THAT THE DEPARTMENT REQUIRES.

(3) FOR ANY TAXABLE YEAR, THE AMOUNT OF TAX CREDIT STATED IN THE TAX CREDIT CERTIFICATE MAY NOT EXCEED \$10,000.

(4) THE DEPARTMENT SHALL:

(I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX CREDIT CERTIFICATE UNDER THIS SUBSECTION ON A FIRST-COME, FIRST-SERVED BASIS; AND

(II) NOTIFY A TAXPAYER WITHIN 45 DAYS OF RECEIPT OF THE TAXPAYER'S APPLICATION OF ITS APPROVAL OR DENIAL.

(5) (I) FOR EACH TAXABLE YEAR, THE TOTAL AMOUNT OF TAX CREDIT CERTIFICATES THAT MAY BE ISSUED BY THE DEPARTMENT UNDER THIS SECTION MAY NOT EXCEED \$100,000.

(II) IF THE AGGREGATE AMOUNT OF TAX CREDIT CERTIFICATES ISSUED UNDER THIS SECTION DURING A TAXABLE YEAR TOTAL LESS THAN THE AMOUNT AUTHORIZED UNDER THIS PARAGRAPH, ANY EXCESS AMOUNT MAY BE ISSUED UNDER TAX CREDIT CERTIFICATES IN THE NEXT TAXABLE YEAR.

(D) ON OR BEFORE JANUARY 31 OF EACH TAXABLE YEAR, THE DEPARTMENT SHALL:

(1) REPORT TO THE COMPTROLLER ON THE TAX CREDIT CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR; AND

(2) REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE UTILIZATION OF THE CREDIT ESTABLISHED UNDER THIS SECTION.

(E) THE DEPARTMENT, IN CONSULTATION WITH THE GOVERNOR'S WORKFORCE INVESTMENT BOARD, SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES FOR APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX CREDIT AUTHORIZED UNDER THIS SECTION.

10-738.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DEPARTMENT” MEANS THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

(3) “LICENSED PHYSICIAN” MEANS AN INDIVIDUAL WHO IS LICENSED TO PRACTICE MEDICINE UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE.

(4) “NURSE PRACTITIONER” HAS THE MEANING STATED IN § 8-101 OF THE HEALTH OCCUPATIONS ARTICLE.

(5) “PRECEPTORSHIP PROGRAM” MEANS AN ORGANIZED SYSTEM OF CLINICAL EXPERIENCE THAT, FOR THE PURPOSE OF ATTAINING SPECIFIED LEARNING OBJECTIVES, PAIRS A NURSE PRACTITIONER STUDENT ENROLLED IN A NURSING EDUCATION PROGRAM THAT IS RECOGNIZED BY THE STATE BOARD OF NURSING WITH A NURSE PRACTITIONER OR LICENSED PHYSICIAN WHO MEETS THE QUALIFICATIONS AS A PRECEPTOR.

(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A NURSE PRACTITIONER OR LICENSED PHYSICIAN MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT STATED ON THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C) OF THIS SECTION FOR THE TAXABLE YEAR IN WHICH THE NURSE PRACTITIONER OR LICENSED PHYSICIAN SERVED WITHOUT COMPENSATION AS A PRECEPTOR IN A PRECEPTORSHIP PROGRAM APPROVED BY THE STATE BOARD OF NURSING AND WORKED:

(I) A MINIMUM OF THREE ROTATIONS, EACH CONSISTING OF 160 HOURS OF COMMUNITY-BASED CLINICAL TRAINING; AND

(II) IN AN AREA OF THE STATE IDENTIFIED AS HAVING A HEALTH CARE WORKFORCE SHORTAGE BY THE DEPARTMENT, IN CONSULTATION WITH THE GOVERNOR’S WORKFORCE INVESTMENT BOARD.

(2) (I) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX IMPOSED FOR THAT TAXABLE YEAR.

(II) ANY UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(C) (1) ON APPLICATION BY A NURSE PRACTITIONER OR LICENSED PHYSICIAN, THE DEPARTMENT SHALL ISSUE A CREDIT CERTIFICATE IN THE AMOUNT OF \$1,000 FOR EACH NURSE PRACTITIONER STUDENT FOR WHOM THE NURSE PRACTITIONER OR LICENSED PHYSICIAN SERVED AS A PRECEPTOR WITHOUT COMPENSATION.

(2) THE APPLICATION SHALL CONTAIN:

(I) THE NAME OF THE NURSE PRACTITIONER OR LICENSED PHYSICIAN;

(II) INFORMATION IDENTIFYING THE PRECEPTORSHIP IN WHICH THE NURSE PRACTITIONER OR LICENSED PHYSICIAN PARTICIPATED;

(III) THE NUMBER AND NAMES OF THE NURSE PRACTITIONER STUDENTS FOR WHOM THE INDIVIDUAL SERVED AS A PRECEPTOR WITHOUT COMPENSATION; AND

(IV) ANY OTHER INFORMATION THAT THE DEPARTMENT REQUIRES.

(3) FOR ANY TAXABLE YEAR, THE AMOUNT OF TAX CREDIT STATED IN THE TAX CREDIT CERTIFICATE MAY NOT EXCEED \$10,000.

(4) THE DEPARTMENT SHALL:

(I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX CREDIT CERTIFICATE UNDER THIS SUBSECTION ON A FIRST-COME, FIRST-SERVED BASIS; AND

(II) NOTIFY A TAXPAYER WITHIN 45 DAYS OF RECEIPT OF THE TAXPAYER'S APPLICATION OF ITS APPROVAL OR DENIAL.

(5) (I) FOR EACH TAXABLE YEAR, THE TOTAL AMOUNT OF TAX CREDIT CERTIFICATES THAT MAY BE ISSUED BY THE DEPARTMENT UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

1. THE TOTAL FUNDS IN THE NURSE PRACTITIONER PRECEPTORSHIP TAX CREDIT FUND FOR THAT YEAR; OR

2. \$100,000.

(II) IF THE AGGREGATE AMOUNT OF TAX CREDIT CERTIFICATES ISSUED UNDER THIS SECTION DURING A TAXABLE YEAR TOTAL LESS THAN THE AMOUNT AUTHORIZED UNDER THIS PARAGRAPH, ANY EXCESS AMOUNT MAY BE ISSUED UNDER TAX CREDIT CERTIFICATES IN THE NEXT TAXABLE YEAR.

(D) (1) IN THIS SECTION, "FUND" MEANS THE NURSE PRACTITIONER PRECEPTORSHIP TAX CREDIT FUND ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(2) THERE IS A NURSE PRACTITIONER PRECEPTORSHIP TAX CREDIT FUND.

(3) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(4) THE PURPOSE OF THE FUND IS TO OFFSET THE COSTS OF THE TAX CREDIT AVAILABLE UNDER THIS SECTION.

(5) THE FUND IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(6) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(7) THE FUND CONSISTS OF:

(I) REVENUE DISTRIBUTED TO THE FUND UNDER § 8-206 OF THE HEALTH OCCUPATIONS ARTICLE;

(II) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

(III) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(8) THE MONEY IN THE FUND SHALL BE INVESTED AND REINVESTED BY THE STATE TREASURER, AND INTEREST AND EARNINGS SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(9) (I) EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH, MONEY CREDITED OR APPROPRIATED TO THE FUND SHALL REMAIN IN THE FUND.

(II) 1. WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR QUARTER, THE DEPARTMENT SHALL NOTIFY THE COMPTROLLER AS TO EACH CREDIT CERTIFICATE ISSUED DURING THE QUARTER.

2. ON NOTIFICATION THAT A CREDIT CERTIFICATE HAS BEEN ISSUED BY THE DEPARTMENT, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL TO THE CREDIT AMOUNT STATED IN THE TAX CREDIT CERTIFICATE FROM THE FUND TO THE GENERAL FUND OF THE STATE.

(E) ON OR BEFORE JANUARY 31 EACH TAXABLE YEAR, THE DEPARTMENT SHALL:

(1) REPORT TO THE COMPTROLLER ON THE TAX CREDIT CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR; AND

(2) REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE UTILIZATION OF THE CREDIT ESTABLISHED UNDER THIS SECTION.

(F) THE DEPARTMENT, IN CONSULTATION WITH THE GOVERNOR'S WORKFORCE INVESTMENT BOARD, SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES FOR APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX CREDIT AUTHORIZED UNDER THIS SECTION.

Article – Education

18-803.

(b) (1) There is a Health Personnel Shortage Incentive Grant Program for eligible institutions.

(2) The Office of Student Financial Assistance shall administer the Grant Program as provided in this section.

(e) (2) [Any] **EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ANY** unspent portions of the money that is transferred to the Office for use under this section by the Comptroller may not be transferred to or revert to the General Fund of the State, but shall remain in the Fund maintained by the Office to administer these programs to be used for the purposes specified in this section.

(3) AN AMOUNT NOT EXCEEDING \$100,000 OF THE UNSPENT PORTION OF THE MONEY THAT IS TRANSFERRED TO THE OFFICE FOR USE UNDER THIS SECTION MAY BE TRANSFERRED TO OR REVERT TO THE GENERAL FUND OF THE STATE IN ORDER TO OFFSET THE COSTS OF THE TAX CREDIT AVAILABLE UNDER § 10-737 OF THE TAX – GENERAL ARTICLE.

Article – Health Occupations

8-206.

(b) (1) The Board may set reasonable fees for the issuance and renewal of licenses and its other services.

(2) The fees charged shall be set so as to produce funds to approximate the cost of maintaining the Board as provided in subsection (e) of this section.

(3) (I) IN ADDITION TO THE FEE SET BY THE BOARD UNDER THIS TITLE FOR THE RENEWAL OF AN ADVANCED PRACTICE REGISTERED NURSE CERTIFICATION OF A NURSE PRACTITIONER, THE BOARD SHALL ASSESS A SEPARATE \$15 FEE FOR A RENEWAL OF THE CERTIFICATION.

(II) THE BOARD SHALL PAY THE FEE COLLECTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE NURSE PRACTITIONER PRECEPTORSHIP TAX CREDIT FUND ESTABLISHED UNDER § 10-738 OF THE TAX – GENERAL ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015. It shall remain effective for a period of 5 years and, at the end of June 30, 2021, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 10, 2016.