

Department of Legislative Services  
Maryland General Assembly  
2017 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 436

(Senator Eckardt)

Budget and Taxation

Ways and Means

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**Income Tax - Credit for Nurse Practitioner or Licensed Physician in  
Preceptorship Program - Alterations**

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This emergency bill alters eligibility for the licensed physician and nurse practitioner preceptorship tax credits by specifying that, in order to qualify, each rotation worked by a qualifying preceptor must consist of at least 100 hours of community-based clinical training. The bill also clarifies that the certification fee charged by the State Board of Nursing to renew an advanced practice registered nurse certification is charged per practitioner, regardless of the number of certifications held by the practitioner.

The bill applies to tax credits for tax year 2017 and beyond.

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**Fiscal Summary**

**State Effect:** None. Clarifying the fee charged by the State Board of Nursing generally codifies existing practice. Altering the program's eligibility requirements is not expected to change the fiscal impact of the program beyond that provided under current law.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:** Chapters 385 and 386 of 2016 established nonrefundable tax credits against the State income tax for a licensed physician or nurse practitioner who serves without compensation as a preceptor in an approved preceptorship program. Each year, the Department of Health and Mental Hygiene (DHMH) may issue up to \$100,000

for each of the physician preceptorship credits and nurse practitioner preceptorship credits. Tax credit applications are approved on a first-come, first-served basis until the cap of \$100,000 for the year is reached for each credit.

The Acts established a \$15 fee for the renewal of an advanced practice registered nurse certificate of a nurse practitioner and created a Nurse Practitioner Preceptorship Tax Credit Fund. The \$15 fee must be distributed to the fund, which partially offsets the costs of the nurse practitioner preceptor tax credit.

To qualify, the licensed physician or nurse practitioner must have served without compensation as a preceptor in a preceptorship program approved by the State Board of Nursing and worked (1) at least three rotations with each rotation consisting of 160 hours of community-based clinical training and (2) in an area that DHMH, in consultation with the Governor's Workforce Investment Board, has identified as having a health care workforce shortage.

DHMH published proposed regulations in the January 20, 2017, issue of the *Maryland Register* that establish the procedures to be used to monitor, evaluate eligibility for, and issue income tax credits in accordance with Chapters 385 and 386. In addition, the regulations amend the Board of Nursing's fee schedule to impose an assessment on the renewal for an advanced practice registered nurse practitioner. The board advised that it intends to assess the fee per nurse practitioner and not per certificate renewal (a nurse practitioner may hold multiple certificates).

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 683 (Delegate Sample-Hughes) - Ways and Means.

**Information Source(s):** Department of Health and Mental Hygiene; Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2017  
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