

HOUSE BILL 1252

Q3

11r2825
CF SB 102

By: **Delegate Sample-Hughes**

Introduced and read first time: February 8, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credits for Preceptors in Areas With Health Care Workforce**
3 **Shortages**

4 FOR the purpose of authorizing a credit against the State income tax for certain health
5 care practitioners who serve as certain preceptors for a certain preceptorship
6 program approved by the Maryland Department of Health for physician assistant
7 students; providing that any unused credit may not be carried forward to another
8 taxable year; providing for the calculation of the credit; requiring the Department,
9 on application of a taxpayer, to issue a tax credit certificate under certain
10 circumstances; requiring the application to contain certain information; providing
11 for the maximum amount of a tax credit certificate that may be issued; requiring the
12 Department to approve applications on a first-come, first-served basis and notify
13 applicants of approval or denial of an application within a certain number of days
14 after receipt of the application; providing that the total number of tax credit
15 certificates issued by the Department may not exceed a certain amount for each
16 taxable year; providing that tax credit certificate amounts not issued during a
17 taxable year may be carried over and issued during the next taxable year;
18 establishing the Physician Assistant Preceptorship Tax Credit Fund as a special,
19 nonlapsing fund; specifying the purpose of the Fund; requiring the Department to
20 administer the Fund; requiring the State Treasurer to hold the Fund and the
21 Comptroller to account for the Fund; specifying the contents of the Fund; specifying
22 the purpose for which the Fund may be used; providing for the investment of money
23 in and expenditures from the Fund; requiring the State Board of Physicians to assess
24 a certain fee for the renewal of a certain license; requiring the Board to pay the fee
25 collected into the Fund; requiring the Department to report certain information to
26 the Comptroller and the General Assembly on or before a certain date each year;
27 requiring the Department, in consultation with the Governor's Workforce
28 Development Board, to adopt certain regulations; repealing the termination date for
29 certain tax credits for certain preceptors in areas with health care workforce
30 shortages; providing for the application of certain provisions of this Act; defining
31 certain terms; and generally relating to credits against the State income tax for

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 health care practitioners serving as preceptors in areas with health care workforce
2 shortages.

3 BY repealing and reenacting, without amendments,
4 Article – Health Occupations
5 Section 15–101(a) and (d)
6 Annotated Code of Maryland
7 (2014 Replacement Volume and 2020 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article – Health Occupations
10 Section 15–206(a) and (b)
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2020 Supplement)

13 BY adding to
14 Article – Tax – General
15 Section 10–751
16 Annotated Code of Maryland
17 (2016 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,
19 Chapter 385 of the Acts of the General Assembly of 2016
20 Section 2

21 BY repealing and reenacting, with amendments,
22 Chapter 386 of the Acts of the General Assembly of 2016
23 Section 2

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

26 **Article – Health Occupations**

27 15–101.

28 (a) In this title the following words have the meanings indicated.

29 (d) “Board” means the State Board of Physicians, established under § 14–201 of
30 this article.

31 15–206.

32 (a) **(1)** The Board shall set reasonable fees for:

33 **[(1)] (I)** The issuance and renewal of licenses; and

1 [(2)] (II) The other services rendered by the Board in connection with
2 physician assistants, including the cost of providing a rehabilitation program for physician
3 assistants under § 14-401.1(g) of this article.

4 (2) (I) IN ADDITION TO THE FEE SET BY THE BOARD UNDER THIS
5 TITLE FOR THE RENEWAL OF A LICENSE, THE BOARD SHALL ASSESS A SEPARATE \$15
6 FEE FOR A RENEWAL OF THE LICENSE.

7 (II) THE BOARD SHALL PAY THE FEE COLLECTED UNDER
8 SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE PHYSICIAN ASSISTANT
9 PRECEPTORSHIP TAX CREDIT FUND ESTABLISHED UNDER § 10-751 OF THE
10 TAX – GENERAL ARTICLE.

11 (b) [The] EXCEPT AS PROVIDED IN SUBSECTION (A)(2)(II) OF THIS SECTION,
12 THE Board shall pay all fees collected under this title to the Comptroller of the State.

13 Article – Tax – General

14 10-751.

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

17 (2) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF
18 HEALTH.

19 (3) “HEALTH CARE PRACTITIONER” MEANS AN INDIVIDUAL WHO:

20 (I) IS LICENSED TO PRACTICE MEDICINE UNDER TITLE 14 OF
21 THE HEALTH OCCUPATIONS ARTICLE;

22 (II) IS A PHYSICIAN ASSISTANT, AS DEFINED IN § 15-101 OF THE
23 HEALTH OCCUPATIONS ARTICLE; OR

24 (III) IS A REGISTERED NURSE PRACTITIONER, AS DEFINED IN §
25 8-101 OF THE HEALTH OCCUPATIONS ARTICLE.

26 (4) “PRECEPTORSHIP PROGRAM” MEANS AN ORGANIZED SYSTEM OF
27 CLINICAL EXPERIENCE THAT, FOR THE PURPOSE OF ATTAINING SPECIFIED
28 LEARNING OBJECTIVES, PAIRS AN ENROLLED STUDENT OF A PHYSICIAN ASSISTANT
29 PROGRAM IN THE STATE WITH A HEALTH CARE PRACTITIONER WHO MEETS THE
30 QUALIFICATIONS OF A PRECEPTOR.

31 (B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A HEALTH CARE
32 PRACTITIONER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE

1 AMOUNT STATED ON THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C)
2 OF THIS SECTION FOR THE TAXABLE YEAR IN WHICH THE HEALTH CARE
3 PRACTITIONER SERVED WITHOUT COMPENSATION AS A PHYSICIAN ASSISTANT
4 PRECEPTOR IN A PRECEPTORSHIP PROGRAM APPROVED BY THE DEPARTMENT AND
5 WORKED:

6 (I) A MINIMUM OF THREE ROTATIONS, EACH CONSISTING OF AT
7 LEAST 100 HOURS OF COMMUNITY-BASED CLINICAL TRAINING IN FAMILY
8 MEDICINE, GENERAL INTERNAL MEDICINE, OR GENERAL PEDIATRICS; AND

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

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

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

17 (C) (1) ON APPLICATION BY A HEALTH CARE PRACTITIONER, THE
18 DEPARTMENT SHALL ISSUE A TAX CREDIT CERTIFICATE IN THE AMOUNT OF \$1,000
19 FOR EACH PHYSICIAN ASSISTANT STUDENT FOR WHOM THE HEALTH CARE
20 PRACTITIONER SERVED AS A PHYSICIAN ASSISTANT PRECEPTOR WITHOUT
21 COMPENSATION.

22 (2) THE APPLICATION SHALL CONTAIN:

23 (I) THE NAME OF THE HEALTH CARE PRACTITIONER;

24 (II) INFORMATION IDENTIFYING THE PHYSICIAN ASSISTANT
25 PRECEPTORSHIP IN WHICH THE HEALTH CARE PRACTITIONER PARTICIPATED;

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

28 (IV) ANY OTHER INFORMATION THAT THE DEPARTMENT
29 REQUIRES.

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

32 (4) THE DEPARTMENT SHALL:

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

4 **(II) NOTIFY AN INDIVIDUAL WITHIN 45 DAYS AFTER RECEIPT OF**
5 **THE INDIVIDUAL'S APPLICATION OF ITS APPROVAL OR DENIAL.**

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

9 **1. THE TOTAL FUNDS IN THE PHYSICIAN ASSISTANT**
10 **PRECEPTORSHIP TAX CREDIT FUND FOR THAT YEAR; OR**

11 **2. \$100,000.**

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

16 **(D) (1) IN THIS SUBSECTION, "FUND" MEANS THE PHYSICIAN ASSISTANT**
17 **PRECEPTORSHIP TAX CREDIT FUND ESTABLISHED UNDER PARAGRAPH (2) OF THIS**
18 **SUBSECTION.**

19 **(2) THERE IS A PHYSICIAN ASSISTANT PRECEPTORSHIP TAX CREDIT**
20 **FUND.**

21 **(3) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

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

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

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

28 **(7) THE FUND CONSISTS OF:**

29 **(I) REVENUE DISTRIBUTED TO THE FUND UNDER § 15-206 OF**
30 **THE HEALTH OCCUPATIONS ARTICLE;**

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

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

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

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

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

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

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

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

22 (2) REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §
23 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE UTILIZATION OF THE
24 CREDIT ESTABLISHED UNDER THIS SECTION.

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

30 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
31 as follows:

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

6 **Chapter 386 of the Acts of 2016**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015. [It
9 shall remain effective for a period of 5 years and, at the end of June 30, 2021, with no
10 further action required by the General Assembly, this Act shall be abrogated and of no
11 further force and effect.]

12 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be
13 applicable to all taxable years beginning after December 31, 2021.

14 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
15 1, 2021.