

SENATE BILL 92

Q3

(PRE-FILED)

11r0617
CF HB 1195

By: **Senator Eckardt**

Requested: September 22, 2020

Introduced and read first time: January 13, 2021

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 14, 2021

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of altering the number of training hours that a licensed physician is
5 required to perform in a preceptor program rotation in order to qualify for a certain
6 credit against the State income tax; clarifying the issuance of a credit certificate in
7 certain preceptorship programs; repealing the termination date for certain credits
8 against the State income tax for certain individuals who serve as preceptors in
9 certain preceptorship programs and work in areas of the State with health care
10 workforce shortages; providing for the application of certain provisions of this Act;
11 and generally relating to credits against the State income tax for certain preceptors
12 in areas of the State with health care workforce shortages.

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–738 and 10–739
16 Annotated Code of Maryland
17 (2016 Replacement Volume and 2020 Supplement)

18 ~~BY repealing and reenacting, without amendments,~~
19 ~~Article – Tax – General~~
20 ~~Section 10–739~~
21 ~~Annotated Code of Maryland~~
22 ~~(2016 Replacement Volume and 2020 Supplement)~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,
2 Chapter 385 of the Acts of the General Assembly of 2016
3 Section 2

4 BY repealing and reenacting, with amendments,
5 Chapter 386 of the Acts of the General Assembly of 2016
6 Section 2

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

9 **Article – Tax – General**

10 10–738.

11 (a) (1) In this section the following words have the meanings indicated.

12 (2) “Department” means the Maryland Department of Health.

13 (3) “Licensed physician” means an individual who is licensed to practice
14 medicine under Title 14 of the Health Occupations Article.

15 (4) “Preceptorship program” means an organized system of clinical
16 experience that, for the purpose of attaining specified learning objectives, pairs an enrolled
17 student of a Liaison Committee on Medical Education–accredited medical school in the
18 State or an individual in a postgraduate medical training program in the State with a
19 licensed physician who meets the qualifications as a preceptor.

20 (b) (1) Subject to the limitations of this section, a licensed physician may claim
21 a credit against the State income tax in the amount stated on the tax credit certificate
22 issued under subsection (c) of this section for the taxable year in which the licensed
23 physician served without compensation as a physician preceptor in a preceptorship
24 program authorized by an accredited medical school in the State and worked:

25 (i) a minimum of three rotations, each consisting of **[160] 100** hours
26 of community–based clinical training; and

27 (ii) in an area of the State identified as having a health care
28 workforce shortage by the Department, in consultation with the Governor’s Workforce
29 Development Board.

30 (2) (i) The total amount of the credit allowed under this section for any
31 taxable year may not exceed the State income tax imposed for that taxable year.

32 (ii) Any unused amount of the credit for any taxable year may not be
33 carried over to any other taxable year.

1 (c) (1) On application by a licensed physician, the Department shall issue a
2 credit certificate in the amount of \$1,000 for each student ~~for whom~~ **ROTATION OF THE**
3 **MINIMUM NUMBER OF HOURS REQUIRED UNDER SUBSECTION (B)(1)(I) OF THIS**
4 **SECTION FOR WHICH** the licensed physician served as a physician preceptor without
5 compensation.

6 (2) The application shall contain:

7 (i) the name of the licensed physician;

8 (ii) information identifying the physician preceptorship in which the
9 licensed physician participated;

10 (iii) the number and names of the students for whom the individual
11 served as a physician preceptor without compensation; and

12 (iv) any other information that the Department requires.

13 (3) For any taxable year, the amount of tax credit stated in the tax credit
14 certificate may not exceed \$10,000.

15 (4) The Department shall:

16 (i) approve all applications that qualify for a tax credit certificate
17 under this subsection on a first-come, first-served basis; and

18 (ii) notify a taxpayer within 45 days of receipt of the taxpayer's
19 application of its approval or denial.

20 (5) (i) For each taxable year, the total amount of tax credit certificates
21 that may be issued by the Department under this section may not exceed \$100,000.

22 (ii) If the aggregate amount of tax credit certificates issued under
23 this section during a taxable year total less than the amount authorized under this
24 paragraph, any excess amount may be issued under tax credit certificates in the next
25 taxable year.

26 (d) On or before January 31 of each taxable year, the Department shall:

27 (1) report to the Comptroller on the tax credit certificates issued under this
28 section during the prior taxable year; and

29 (2) report to the General Assembly, in accordance with § 2-1257 of the
30 State Government Article, on the utilization of the credit established under this section.

1 (e) The Department, in consultation with the Governor's Workforce Development
2 Board, shall adopt regulations to carry out the provisions of this section, including the
3 criteria and procedures for application for, approval of, and monitoring eligibility for the
4 tax credit authorized under this section.

5 10-739.

6 (a) (1) In this section the following words have the meanings indicated.

7 (2) "Department" means the Maryland Department of Health.

8 (3) "Licensed physician" means an individual who is licensed to practice
9 medicine under Title 14 of the Health Occupations Article.

10 (4) "Nurse practitioner" has the meaning stated in § 8-101 of the Health
11 Occupations Article.

12 (5) "Preceptorship program" means an organized system of clinical
13 experience that, for the purpose of attaining specified learning objectives, pairs a nurse
14 practitioner student enrolled in a nursing education program that is recognized by the State
15 Board of Nursing with a nurse practitioner or licensed physician who meets the
16 qualifications as a preceptor.

17 (b) (1) Subject to the limitations of this section, a nurse practitioner or licensed
18 physician may claim a credit against the State income tax in the amount stated on the tax
19 credit certificate issued under subsection (c) of this section for the taxable year in which
20 the nurse practitioner or licensed physician served without compensation as a preceptor in
21 a preceptorship program approved by the State Board of Nursing and worked:

22 (i) a minimum of three rotations, each consisting of at least 100
23 hours of community-based clinical training; and

24 (ii) in an area of the State identified as having a health care
25 workforce shortage by the Department, in consultation with the Governor's Workforce
26 Development Board.

27 (2) (i) The total amount of the credit allowed under this section for any
28 taxable year may not exceed the State income tax imposed for that taxable year.

29 (ii) Any unused amount of the credit for any taxable year may not be
30 carried over to any other taxable year.

31 (c) (1) On application by a nurse practitioner or licensed physician, the
32 Department shall issue a credit certificate in the amount of \$1,000 for each nurse
33 practitioner student ~~for whom~~ **ROTATION OF THE MINIMUM NUMBER OF HOURS**
34 **REQUIRED UNDER SUBSECTION (B)(1)(I) OF THIS SECTION FOR WHICH** the nurse
35 practitioner or licensed physician served as a preceptor without compensation.

1 (2) The application shall contain:

2 (i) the name of the nurse practitioner or licensed physician;

3 (ii) information identifying the preceptorship in which the nurse
4 practitioner or licensed physician participated;

5 (iii) the number and names of the nurse practitioner students for
6 whom the individual served as a preceptor without compensation; and

7 (iv) any other information that the Department requires.

8 (3) For any taxable year, the amount of tax credit stated in the tax credit
9 certificate may not exceed \$10,000.

10 (4) The Department shall:

11 (i) approve all applications that qualify for a tax credit certificate
12 under this subsection on a first-come, first-served basis; and

13 (ii) notify a taxpayer within 45 days of receipt of the taxpayer's
14 application of its approval or denial.

15 (5) (i) For each taxable year, the total amount of tax credit certificates
16 that may be issued by the Department under this section may not exceed the lesser of:

17 1. the total funds in the Nurse Practitioner Preceptorship
18 Tax Credit Fund for that year; or

19 2. \$100,000.

20 (ii) If the aggregate amount of tax credit certificates issued under
21 this section during a taxable year total less than the amount authorized under this
22 paragraph, any excess amount may be issued under tax credit certificates in the next
23 taxable year.

24 (d) (1) In this section, "Fund" means the Nurse Practitioner Preceptorship Tax
25 Credit Fund established under paragraph (2) of this subsection.

26 (2) There is a Nurse Practitioner Preceptorship Tax Credit Fund.

27 (3) The Department shall administer the Fund.

28 (4) The purpose of the Fund is to offset the costs of the tax credit available
29 under this section.

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, 2020.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.