

SENATE BILL 102

Q3
SB 788/20 – B&T

(PRE-FILED)

1lr1138

By: **Senator Eckardt**

Requested: October 26, 2020

Introduced and read first time: January 13, 2021

Assigned to: Budget and Taxation

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain terms; and generally relating to credits against the State income tax for
2 health care practitioners serving as preceptors in areas with health care workforce
3 shortages.

4 BY repealing and reenacting, without amendments,
5 Article – Health Occupations
6 Section 15–101(a) and (d)
7 Annotated Code of Maryland
8 (2014 Replacement Volume and 2020 Supplement)

9 BY repealing and reenacting, with amendments,
10 Article – Health Occupations
11 Section 15–206(a) and (b)
12 Annotated Code of Maryland
13 (2014 Replacement Volume and 2020 Supplement)

14 BY adding to
15 Article – Tax – General
16 Section 10–751
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2020 Supplement)

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

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

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

27 **Article – Health Occupations**

28 15–101.

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

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

32 15–206.

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

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

1 **(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A HEALTH CARE**
2 **PRACTITIONER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE**
3 **AMOUNT STATED ON THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C)**
4 **OF THIS SECTION FOR THE TAXABLE YEAR IN WHICH THE HEALTH CARE**
5 **PRACTITIONER SERVED WITHOUT COMPENSATION AS A PHYSICIAN ASSISTANT**
6 **PRECEPTOR IN A PRECEPTORSHIP PROGRAM APPROVED BY THE DEPARTMENT AND**
7 **WORKED:**

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

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

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

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

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

24 **(2) THE APPLICATION SHALL CONTAIN:**

25 **(I) THE NAME OF THE HEALTH CARE PRACTITIONER;**

26 **(II) INFORMATION IDENTIFYING THE PHYSICIAN ASSISTANT**
27 **PRECEPTORSHIP IN WHICH THE HEALTH CARE PRACTITIONER PARTICIPATED;**

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

30 **(IV) ANY OTHER INFORMATION THAT THE DEPARTMENT**
31 **REQUIRES.**

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

1 **(4) THE DEPARTMENT SHALL:**

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

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

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

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

12 **2. \$100,000.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 **(2) REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §**
25 **2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE UTILIZATION OF THE**
26 **CREDIT ESTABLISHED UNDER THIS SECTION.**

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

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

