



# Board of Physicians

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

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## 2020 SESSION POSITION PAPER

**BILL NO:** SB 788  
**COMMITTEE:** Budget & Taxation Committee  
**POSITION:** Letter of Concern

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**TITLE: Income Tax – Credit for Community - Based Faculty Clinicians – Letter of Information**

**BILL ANALYSIS:** This bill creates a nonrefundable credit against the State income tax for a licensed physician, physician’s assistant, or advanced practice registered nurse who serves without compensation as a community-based faculty clinician in an approved core clerkship. The Maryland Department of Health (MDH) may issue up to \$100,000 in tax credits in each tax year. The bill takes effect July 1, 2020, and applies to tax year 2020 and beyond.

**POSITION AND RATIONALE:** As introduced, the Maryland Board of Physicians (the “Board”) has no position on SB 788. However, proposed amendments will significantly change the bill, including how the tax credit will be funded. Pursuant to Health Occupations, Title 14-207 regarding the Board’s fund, the Board is required to set reasonable fees for the issuance and renewal of licenses, and the fund “shall be used to exclusively cover the actual documented direct and indirect costs of fulfilling the statutory and regulatory duties of the Board as provided by the provisions of this title.”

Currently Board licensees are subject to a variety of fees: To support the Maryland Health Care Commission, an assessment to support Loan Assistance Repayment (LARP), as well as other proposals this legislative session that, if successful, will increase the LARP assessment from 4% to 10%; another fee to support cultural competency education, and budget transfers to support the Office of Primary Care and increase LARP spending for FY 2021; none of which are set forth as fulfilling the statutory and regulatory duties of the Board.

Additionally, the Board has reduced fees temporarily, and was planning to make permanent reductions, however, the fee reductions will be offset by other increases on fees, or will be unable to be implemented. The Board fund should not be used to support programs outside of its mission and we respectfully resist the proposed amendments.

For more information, please contact Wynee Hawk, Manager, Policy and Legislation, Maryland Board of Physicians, 410-764-3786.

**The opinion of the Board expressed in this document does not necessarily reflect that of the Maryland Department of Health or the Administration.**