



House Ways and Means Committee

February 12, 2026

House Bill 595 – *Income Tax – Credit for Physician Preceptors in Areas With Health Care Workforce Shortages – Alterations*
POSITION: SUPPORT

The Maryland Academy of Family Physicians (MDAFP) is the largest professional medical specialty society in Maryland, with nearly 1,400 members who are practicing family physicians, family physicians in training, and medical students. The Academy requests your **support** for House Bill 595.

This bill proposes two changes to the Physician Preceptor Tax Credit, which provides a tax credit of up to \$1,000 for a physician located in a workforce shortage area who provides clinical experience to a medical school student free of charge. It is important to note from the start that the bill should have no fiscal impact because the total amount of tax credits that are allowed under the law is already capped at \$100,000, and this bill does not change that.

The goal of the bill is to increase the utilization of the tax credit and to lure more physicians to the State. Currently, the tax credit is underutilized, with only \$37,000 of the available \$100,000 having been distributed in 2024. MDAFP believes the following two changes will help increase its use.

The first change the bill makes is to the number of required hours needed to get the tax credit from 100 to 90, exactly as was done in a bill relative to a nursing preceptor tax credit bill this past year, also sponsored by Delegate Lewis.

The second change is that current law requires the medical student to be in a medical school *in the State*. This means physicians are not eligible for the tax credit if a medical student from Washington DC, Pennsylvania, or Virginia wants to come and gain clinical experience here in an underserved area. So, for example, with a student from Maryland who is attending George Washington Medical School and wants to come to get training with a physician in Montgomery County, the physician is not eligible for the tax credit because the student is not from a medical school in the State. Same would be true in Western Maryland if a University of Pittsburgh medical student wanted to get experience there. This restrictive language is NOT found in similar tax credit statutes that apply to nurse practitioners and physician assistants, so this would be making the physician tax credit law the same as those.

The tax credit is one small tool in the State's toolbox to get current Maryland physicians to help attract medical students to Maryland, in particular its underserved areas, and hopefully stay here.

For these reasons, MDAFP asks for your support of House Bill 595.

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