

SENATE BILL 411

Q3

6lr1215
CF HB 1494

By: **Senators Eckardt, Hershey, and Mathias**
Introduced and read first time: January 29, 2016
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 8, 2016

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Credit for ~~Physician~~ Preceptors in Areas With Health Care**
3 **Workforce Shortages**

4 FOR the purpose of authorizing a credit against the State income tax for certain individuals
5 who, under certain circumstances, serve as ~~physician~~ preceptors in certain
6 preceptorship programs and work in certain areas of the State with health care
7 workforce shortages; providing that the credit may not exceed the State income tax
8 for that taxable year and that any unused credit may not be carried over to any other
9 taxable year; providing for the calculation of the credit; requiring the Department of
10 Health and Mental Hygiene, on application of a taxpayer, to issue a tax credit
11 certificate under certain circumstances; requiring the application to contain certain
12 information; providing for the maximum amount of a tax credit certificate that may
13 be issued; requiring the Department to approve applications on a first-come,
14 first-served basis and notify applicants of approval or denial of an application within
15 a certain number of days of receipt of the application; providing that the total number
16 of tax credit certificates issued by the Department may not exceed a certain amount
17 for each taxable year; providing that tax credit certificate amounts not issued during
18 a taxable year may be carried over and issued during the next taxable year; requiring
19 the Department to report certain information to the Comptroller and the General
20 Assembly on or before a certain date each year; requiring the Department, in
21 consultation with the Governor's Workforce Investment Board, to adopt certain
22 regulations; establishing the Nurse Practitioner Preceptorship Tax Credit Fund as
23 a special, nonlapsing fund; specifying the purpose of the Fund; requiring the
24 Department to administer the Fund; requiring the State Treasurer to hold the Fund
25 and the Comptroller to account for the Fund; specifying the contents of the Fund;

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 specifying the purpose for which the Fund may be used; providing for the investment
 2 of money in and expenditures from the Fund; authorizing a certain amount of the
 3 unspent portion of money transferred to the Office of Student Financial Assistance
 4 for use under the Health Personnel Shortage Incentive Grant Program to be
 5 transferred or revert to the General Fund only for a certain purpose; requiring the
 6 State Board of Nursing to assess a certain fee for the renewal of a certain
 7 certification; requiring the Board to pay the fee collected into the Fund; defining
 8 certain terms; providing for the application of this Act; providing for the termination
 9 of this Act; and generally relating to a credit against the State income tax for certain
 10 physician preceptors in certain areas with health care workforce shortages.

11 BY adding to
 12 Article – Tax – General
 13 Section 10–737 and 10–738
 14 Annotated Code of Maryland
 15 (2010 Replacement Volume and 2015 Supplement)

16 BY repealing and reenacting, without amendments,
 17 Article – Education
 18 Section 18–803(b)(1) and (2)
 19 Annotated Code of Maryland
 20 (2014 Replacement Volume and 2015 Supplement)

21 BY repealing and reenacting, with amendments,
 22 Article – Education
 23 Section 18–803(e)(2)
 24 Annotated Code of Maryland
 25 (2014 Replacement Volume and 2015 Supplement)

26 BY adding to
 27 Article – Education
 28 Section 18–803(e)(3)
 29 Annotated Code of Maryland
 30 (2014 Replacement Volume and 2015 Supplement)

31 BY repealing and reenacting, with amendments,
 32 Article – Health Occupations
 33 Section 8–206(b)
 34 Annotated Code of Maryland
 35 (2014 Replacement Volume and 2015 Supplement)

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

38 **Article – Tax – General**

39 **10–737.**

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

3 (2) “DEPARTMENT” MEANS THE DEPARTMENT OF HEALTH AND
4 MENTAL HYGIENE.

5 (3) “LICENSED PHYSICIAN” MEANS AN INDIVIDUAL WHO IS LICENSED
6 TO PRACTICE MEDICINE UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE.

7 (4) “PRECEPTORSHIP PROGRAM” MEANS AN ORGANIZED SYSTEM OF
8 CLINICAL EXPERIENCE THAT, FOR THE PURPOSE OF ATTAINING SPECIFIED
9 LEARNING OBJECTIVES, PAIRS AN ENROLLED STUDENT OF A LIAISON COMMITTEE
10 ON MEDICAL EDUCATION–ACCREDITED MEDICAL SCHOOL IN THE STATE OR AN
11 INDIVIDUAL IN A POSTGRADUATE MEDICAL TRAINING PROGRAM IN THE STATE THAT
12 IS APPROVED BY THE STATE BOARD OF PHYSICIANS WITH A LICENSED PHYSICIAN
13 WHO MEETS THE QUALIFICATIONS AS A PRECEPTOR.

14 (B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A LICENSED
15 PHYSICIAN MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT
16 STATED ON THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C) OF THIS
17 SECTION FOR THE TAXABLE YEAR IN WHICH THE LICENSED PHYSICIAN SERVED
18 WITHOUT COMPENSATION AS A PHYSICIAN PRECEPTOR IN A PRECEPTORSHIP
19 PROGRAM APPROVED BY THE STATE BOARD OF PHYSICIANS AND WORKED:

20 (I) A MINIMUM OF THREE ROTATIONS, EACH CONSISTING OF
21 160 HOURS OF COMMUNITY–BASED CLINICAL TRAINING; AND

22 (II) IN AN AREA OF THE STATE IDENTIFIED AS HAVING A
23 HEALTH CARE WORKFORCE SHORTAGE BY THE DEPARTMENT, IN CONSULTATION
24 WITH THE GOVERNOR’S WORKFORCE INVESTMENT BOARD.

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

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

30 (C) (1) ON APPLICATION BY A LICENSED PHYSICIAN, THE DEPARTMENT
31 SHALL ISSUE A CREDIT CERTIFICATE IN THE AMOUNT OF \$1,000 FOR EACH STUDENT
32 FOR WHOM THE LICENSED PHYSICIAN SERVED AS A PHYSICIAN PRECEPTOR
33 WITHOUT COMPENSATION.

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

2 **(I) THE NAME OF THE LICENSED PHYSICIAN;**

3 **(II) INFORMATION IDENTIFYING THE PHYSICIAN**
4 **PRECEPTORSHIP IN WHICH THE LICENSED PHYSICIAN PARTICIPATED;**

5 **(III) THE NUMBER AND NAMES OF THE STUDENTS FOR WHOM**
6 **THE INDIVIDUAL SERVED AS A PHYSICIAN PRECEPTOR WITHOUT COMPENSATION;**
7 **AND**

8 **(IV) ANY OTHER INFORMATION THAT THE DEPARTMENT**
9 **REQUIRES.**

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

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

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

16 **(II) NOTIFY A TAXPAYER WITHIN 45 DAYS OF RECEIPT OF THE**
17 **TAXPAYER'S APPLICATION OF ITS APPROVAL OR DENIAL.**

18 **(5) (I) FOR EACH TAXABLE YEAR, THE TOTAL AMOUNT OF TAX**
19 **CREDIT CERTIFICATES THAT MAY BE ISSUED BY THE DEPARTMENT UNDER THIS**
20 **SECTION MAY NOT EXCEED \$100,000.**

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

25 **(D) ON OR BEFORE JANUARY 31 OF EACH TAXABLE YEAR, THE**
26 **DEPARTMENT SHALL:**

27 **(1) REPORT TO THE COMPTROLLER ON THE TAX CREDIT**
28 **CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR;**
29 **AND**

1 (2) REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §
2 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE UTILIZATION OF THE
3 CREDIT ESTABLISHED UNDER THIS SECTION.

4 (E) THE DEPARTMENT, IN CONSULTATION WITH THE GOVERNOR'S
5 WORKFORCE INVESTMENT BOARD, SHALL ADOPT REGULATIONS TO CARRY OUT
6 THE PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES
7 FOR APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX
8 CREDIT AUTHORIZED UNDER THIS SECTION.

9 10-738.

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH AND
13 MENTAL HYGIENE.

14 (3) "LICENSED PHYSICIAN" MEANS AN INDIVIDUAL WHO IS LICENSED
15 TO PRACTICE MEDICINE UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE.

16 (4) "NURSE PRACTITIONER" HAS THE MEANING STATED IN § 8-101
17 OF THE HEALTH OCCUPATIONS ARTICLE.

18 (5) "PRECEPTORSHIP PROGRAM" MEANS AN ORGANIZED SYSTEM OF
19 CLINICAL EXPERIENCE THAT, FOR THE PURPOSE OF ATTAINING SPECIFIED
20 LEARNING OBJECTIVES, PAIRS A NURSE PRACTITIONER STUDENT ENROLLED IN A
21 NURSING EDUCATION PROGRAM THAT IS RECOGNIZED BY THE STATE BOARD OF
22 NURSING WITH A NURSE PRACTITIONER OR LICENSED PHYSICIAN WHO MEETS THE
23 QUALIFICATIONS AS A PRECEPTOR.

24 (B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A NURSE
25 PRACTITIONER OR LICENSED PHYSICIAN MAY CLAIM A CREDIT AGAINST THE STATE
26 INCOME TAX IN THE AMOUNT STATED ON THE TAX CREDIT CERTIFICATE ISSUED
27 UNDER SUBSECTION (C) OF THIS SECTION FOR THE TAXABLE YEAR IN WHICH THE
28 NURSE PRACTITIONER OR LICENSED PHYSICIAN SERVED WITHOUT COMPENSATION
29 AS A PRECEPTOR IN A PRECEPTORSHIP PROGRAM APPROVED BY THE STATE BOARD
30 OF NURSING AND WORKED:

31 (I) A MINIMUM OF THREE ROTATIONS, EACH CONSISTING OF
32 160 HOURS OF COMMUNITY-BASED CLINICAL TRAINING; AND

1 (II) IN AN AREA OF THE STATE IDENTIFIED AS HAVING A
2 HEALTH CARE WORKFORCE SHORTAGE BY THE DEPARTMENT, IN CONSULTATION
3 WITH THE GOVERNOR'S WORKFORCE INVESTMENT BOARD.

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

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

9 (C) (1) ON APPLICATION BY A NURSE PRACTITIONER OR LICENSED
10 PHYSICIAN, THE DEPARTMENT SHALL ISSUE A CREDIT CERTIFICATE IN THE
11 AMOUNT OF \$1,000 FOR EACH NURSE PRACTITIONER STUDENT FOR WHOM THE
12 NURSE PRACTITIONER OR LICENSED PHYSICIAN SERVED AS A PRECEPTOR WITHOUT
13 COMPENSATION.

14 (2) THE APPLICATION SHALL CONTAIN:

15 (I) THE NAME OF THE NURSE PRACTITIONER OR LICENSED
16 PHYSICIAN;

17 (II) INFORMATION IDENTIFYING THE PRECEPTORSHIP IN
18 WHICH THE NURSE PRACTITIONER OR LICENSED PHYSICIAN PARTICIPATED;

19 (III) THE NUMBER AND NAMES OF THE NURSE PRACTITIONER
20 STUDENTS FOR WHOM THE INDIVIDUAL SERVED AS A PRECEPTOR WITHOUT
21 COMPENSATION; AND

22 (IV) ANY OTHER INFORMATION THAT THE DEPARTMENT
23 REQUIRES.

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

26 (4) THE DEPARTMENT SHALL:

27 (I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX
28 CREDIT CERTIFICATE UNDER THIS SUBSECTION ON A FIRST-COME, FIRST-SERVED
29 BASIS; AND

30 (II) NOTIFY A TAXPAYER WITHIN 45 DAYS OF RECEIPT OF THE
31 TAXPAYER'S APPLICATION OF ITS APPROVAL OR DENIAL.

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

4 **1. THE TOTAL FUNDS IN THE NURSE PRACTITIONER**
5 **PRECEPTORSHIP TAX CREDIT FUND FOR THAT YEAR; OR**

6 **2. \$100,000.**

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

11 **(D) (1) IN THIS SECTION, "FUND" MEANS THE NURSE PRACTITIONER**
12 **PRECEPTORSHIP TAX CREDIT FUND ESTABLISHED UNDER PARAGRAPH (2) OF THIS**
13 **SUBSECTION.**

14 **(2) THERE IS A NURSE PRACTITIONER PRECEPTORSHIP TAX CREDIT**
15 **FUND.**

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

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

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

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

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

24 **(I) REVENUE DISTRIBUTED TO THE FUND UNDER § 8-206 OF**
25 **THE HEALTH OCCUPATIONS ARTICLE;**

26 **(II) MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
27 **FUND; AND**

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

1 under this section by the Comptroller may not be transferred to or revert to the General
2 Fund of the State, but shall remain in the Fund maintained by the Office to administer
3 these programs to be used for the purposes specified in this section.

4 **(3) AN AMOUNT NOT EXCEEDING \$100,000 OF THE UNSPENT**
5 **PORTION OF THE MONEY THAT IS TRANSFERRED TO THE OFFICE FOR USE UNDER**
6 **THIS SECTION MAY BE TRANSFERRED TO OR REVERT TO THE GENERAL FUND OF**
7 **THE STATE IN ORDER TO OFFSET THE COSTS OF THE TAX CREDIT AVAILABLE UNDER**
8 **§ 10-737 OF THE TAX – GENERAL ARTICLE.**

9 **Article – Health Occupations**

10 8-206.

11 (b) (1) The Board may set reasonable fees for the issuance and renewal of
12 licenses and its other services.

13 (2) The fees charged shall be set so as to produce funds to approximate the
14 cost of maintaining the Board as provided in subsection (e) of this section.

15 **(3) (I) IN ADDITION TO THE FEE SET BY THE BOARD UNDER THIS**
16 **TITLE FOR THE RENEWAL OF AN ADVANCED PRACTICE REGISTERED NURSE**
17 **CERTIFICATION, THE BOARD SHALL ASSESS A SEPARATE \$15 FEE FOR A RENEWAL**
18 **OF THE CERTIFICATION.**

19 **(II) THE BOARD SHALL PAY THE FEE COLLECTED UNDER**
20 **SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE NURSE PRACTITIONER**
21 **PRECEPTORSHIP TAX CREDIT FUND ESTABLISHED UNDER § 10-738 OF THE TAX –**
22 **GENERAL ARTICLE.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015. It
25 shall remain effective for a period of 5 years and, at the end of June 30, 2021, with no
26 further action required by the General Assembly, this Act shall be abrogated and of no
27 further force and effect.