

# SENATE BILL 788

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By: **Senator Eckardt**

Introduced and read first time: February 3, 2020

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Community–Based Faculty Clinicians**

3 FOR the purpose of authorizing a credit against the State income tax for certain individuals  
4 who serve as certain community–based faculty clinicians for a certain clerkship  
5 approved by the Maryland Department of Health for medical and nursing students;  
6 providing that any unused credit may not be carried forward to another taxable year;  
7 providing for the calculation of the credit; requiring the Department, on application  
8 of a taxpayer, to issue a tax credit certificate under certain circumstances; requiring  
9 the application to contain certain information; providing for the maximum amount  
10 of a tax credit certificate that may be issued; requiring the Department to approve  
11 applications on a first–come, first–served basis and notify applicants of approval or  
12 denial of an application within a certain number of days after receipt of the  
13 application; providing that the total number of tax credit certificates issued by the  
14 Department may not exceed a certain amount for each taxable year; providing that  
15 tax credit certificate amounts not issued during a taxable year may be carried over  
16 and issued during the next taxable year; requiring the Department to report certain  
17 information to the Comptroller and the General Assembly on or before a certain date  
18 each year; requiring the Department, in consultation with the Governor’s Workforce  
19 Development Board, to adopt certain regulations; providing for the application of this  
20 Act; defining certain terms; and generally relating to a credit against the State  
21 income tax for community–based faculty clinicians in areas with health care  
22 workforce shortages.

23 BY adding to

24 Article – Tax – General

25 Section 10–751

26 Annotated Code of Maryland

27 (2016 Replacement Volume and 2019 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



## Article – Tax – General

10-751.

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

(2) “COMMUNITY-BASED FACULTY CLINICIAN” MEANS AN UNCOMPENSATED INDIVIDUAL WHO:

(I) IS LICENSED TO PRACTICE:

1. MEDICINE UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE;

2. AS A PHYSICIAN ASSISTANT UNDER TITLE 15 OF THE HEALTH OCCUPATIONS ARTICLE; OR

3. AS AN ADVANCED PRACTICE REGISTERED NURSE UNDER TITLE 8 OF THE HEALTH OCCUPATIONS ARTICLE; AND

(II) IN A CALENDAR YEAR, PROVIDES AT LEAST 3 BUT NOT MORE THAN 10 CORE CLERKSHIPS.

(3) “CORE CLERKSHIP” MEANS A CLERKSHIP:

(I) FOR A STUDENT WHO IS ENROLLED IN:

1. A MEDICAL SCHOOL IN THE STATE;

2. A PHYSICIAN ASSISTANT PROGRAM IN THE STATE; OR

3. AN ADVANCED PRACTICE REGISTERED NURSE PROGRAM IN THE STATE; AND

(II) THAT CONSISTS OF A MINIMUM OF 100 HOURS OF COMMUNITY-BASED INSTRUCTION UNDER THE GUIDANCE OF A COMMUNITY-BASED FACULTY CLINICIAN IN FAMILY MEDICINE, GENERAL INTERNAL MEDICINE, OR GENERAL PEDIATRICS.

(4) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF HEALTH.

1           **(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL**  
2 **MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT STATED ON**  
3 **THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C) OF THIS SECTION**  
4 **FOR THE TAXABLE YEAR IN WHICH THE INDIVIDUAL SERVED AS A**  
5 **COMMUNITY-BASED FACULTY CLINICIAN IN A CORE CLERKSHIP APPROVED BY THE**  
6 **DEPARTMENT AND WORKED:**

7                   **(I) A MINIMUM OF 3 ROTATIONS, EACH CONSISTING OF 100**  
8 **HOURS OF COMMUNITY-BASED CLINICAL TRAINING; AND**

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

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

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

17           **(C) (1) ON APPLICATION BY A COMMUNITY-BASED FACULTY CLINICIAN,**  
18 **THE DEPARTMENT SHALL ISSUE A TAX CREDIT CERTIFICATE IN THE AMOUNT OF**  
19 **\$1,000 FOR EACH STUDENT FOR WHOM THE COMMUNITY-BASED FACULTY**  
20 **CLINICIAN SERVED IN A CORE CLERKSHIP.**

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

22                   **(I) THE NAME OF THE COMMUNITY-BASED FACULTY**  
23 **CLINICIAN;**

24                   **(II) INFORMATION IDENTIFYING THE CORE CLERKSHIP IN**  
25 **WHICH THE COMMUNITY-BASED FACULTY CLINICIAN PARTICIPATED;**

26                   **(III) THE NUMBER AND NAMES OF THE STUDENTS FOR WHOM**  
27 **THE INDIVIDUAL SERVED AS A COMMUNITY-BASED FACULTY CLINICIAN; AND**

28                   **(IV) ANY OTHER INFORMATION THAT THE DEPARTMENT**  
29 **REQUIRES.**

30           **(3) FOR ANY TAXABLE YEAR, THE AMOUNT OF TAX CREDIT STATED IN**  
31 **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 \$100,000.**

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

14           **(D) ON OR BEFORE JANUARY 31 EACH TAXABLE YEAR, THE DEPARTMENT**  
15 **SHALL:**

16                   **(1) REPORT TO THE COMPTROLLER ON THE TAX CREDIT**  
17 **CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR;**  
18 **AND**

19                   **(2) REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §**  
20 **2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE UTILIZATION OF THE**  
21 **CREDIT ESTABLISHED UNDER THIS SECTION.**

22           **(E) THE DEPARTMENT, IN CONSULTATION WITH THE GOVERNOR'S**  
23 **WORKFORCE DEVELOPMENT BOARD, SHALL ADOPT REGULATIONS TO CARRY OUT**  
24 **THE PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES**  
25 **FOR APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX**  
26 **CREDIT AUTHORIZED UNDER THIS SECTION.**

27           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
28 1, 2020, and shall be applicable to all taxable years beginning after December 31, 2019.