

HB1252/965968/1

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 1252

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, after “of” insert “altering the number of training hours that a licensed physician is required to perform in a preceptor program rotation in order to qualify for a certain credit against the State income tax; clarifying the issuance of a credit certificate in certain preceptorship programs;”; in line 28, strike “repealing” and substitute “extending”; in line 30, after “shortages;” insert “requiring the Department to report to the General Assembly on or before a certain date;”; and in the same line, after “application” insert “and termination”.

On page 2, after line 2, insert:

“BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10–738 and 10–739

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 25, insert:

“Article – Tax – General

10–738.

(a) (1) In this section the following words have the meanings indicated.

(2) “Department” means the Maryland Department of Health.

(Over)

**HB1252/965968/1 Committee on Ways and Means
Amendments to HB 1252
Page 2 of 10**

(3) “Licensed physician” means an individual who is licensed to practice medicine under Title 14 of the Health Occupations Article.

(4) “Preceptorship program” means an organized system of clinical experience that, for the purpose of attaining specified learning objectives, pairs an enrolled student of a Liaison Committee on Medical Education–accredited medical school in the State or an individual in a postgraduate medical training program in the State with a licensed physician who meets the qualifications as a preceptor.

(b) (1) Subject to the limitations of this section, a licensed physician may claim a credit against the State income tax in the amount stated on the tax credit certificate issued under subsection (c) of this section for the taxable year in which the licensed physician served without compensation as a physician preceptor in a preceptorship program authorized by an accredited medical school in the State and worked:

(i) a minimum of three rotations, each consisting of [160] 100 hours of community–based clinical training; and

(ii) in an area of the State identified as having a health care workforce shortage by the Department, in consultation with the Governor’s Workforce Development Board.

(2) (i) The total amount of the credit allowed under this section for any taxable year may not exceed the State income tax imposed for that taxable year.

(ii) Any unused amount of the credit for any taxable year may not be carried over to any other taxable year.

(c) (1) On application by a licensed physician, the Department shall issue a credit certificate in the amount of \$1,000 for each student [for whom] ROTATION OF

THE MINIMUM NUMBER OF HOURS REQUIRED UNDER SUBSECTION (B)(1)(I) OF THIS SECTION FOR WHICH the licensed physician served as a physician preceptor without compensation.

(2) The application shall contain:

(i) the name of the licensed physician;

(ii) information identifying the physician preceptorship in which the licensed physician participated;

(iii) the number and names of the students for whom the individual served as a physician preceptor without compensation; and

(iv) any other information that the Department requires.

(3) For any taxable year, the amount of tax credit stated in the tax credit certificate may not exceed \$10,000.

(4) The Department shall:

(i) approve all applications that qualify for a tax credit certificate under this subsection on a first-come, first-served basis; and

(ii) notify a taxpayer within 45 days of receipt of the taxpayer's application of its approval or denial.

(5) (i) For each taxable year, the total amount of tax credit certificates that may be issued by the Department under this section may not exceed \$100,000.

(Over)

HB1252/965968/1 Committee on Ways and Means
Amendments to HB 1252
Page 4 of 10

(ii) If the aggregate amount of tax credit certificates issued under this section during a taxable year total less than the amount authorized under this paragraph, any excess amount may be issued under tax credit certificates in the next taxable year.

(d) On or before January 31 of each taxable year, the Department shall:

(1) report to the Comptroller on the tax credit certificates issued under this section during the prior taxable year; and

(2) report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on the utilization of the credit established under this section.

(e) The Department, in consultation with the Governor's Workforce Development Board, shall adopt regulations to carry out the provisions of this section, including the criteria and procedures for application for, approval of, and monitoring eligibility for the tax credit authorized under this section.

10-739.

(a) (1) In this section the following words have the meanings indicated.

(2) "Department" means the Maryland Department of Health.

(3) "Licensed physician" means an individual who is licensed to practice medicine under Title 14 of the Health Occupations Article.

(4) "Nurse practitioner" has the meaning stated in § 8-101 of the Health Occupations Article.

(5) "Preceptorship program" means an organized system of clinical experience that, for the purpose of attaining specified learning objectives, pairs a nurse

HB1252/965968/1 Committee on Ways and Means
Amendments to HB 1252
Page 5 of 10

practitioner student enrolled in a nursing education program that is recognized by the State Board of Nursing with a nurse practitioner or licensed physician who meets the qualifications as a preceptor.

(b) (1) Subject to the limitations of this section, a nurse practitioner or licensed physician may claim a credit against the State income tax in the amount stated on the tax credit certificate issued under subsection (c) of this section for the taxable year in which the nurse practitioner or licensed physician served without compensation as a preceptor in a preceptorship program approved by the State Board of Nursing and worked:

(i) a minimum of three rotations, each consisting of at least 100 hours of community-based clinical training; and

(ii) in an area of the State identified as having a health care workforce shortage by the Department, in consultation with the Governor's Workforce Development Board.

(2) (i) The total amount of the credit allowed under this section for any taxable year may not exceed the State income tax imposed for that taxable year.

(ii) Any unused amount of the credit for any taxable year may not be carried over to any other taxable year.

(c) (1) On application by a nurse practitioner or licensed physician, the Department shall issue a credit certificate in the amount of \$1,000 for each nurse practitioner student [for whom] **ROTATION OF THE MINIMUM NUMBER OF HOURS REQUIRED UNDER SUBSECTION (B)(1)(I) OF THIS SECTION FOR WHICH** the nurse practitioner or licensed physician served as a preceptor without compensation.

(2) The application shall contain:

(Over)

**HB1252/965968/1 Committee on Ways and Means
Amendments to HB 1252
Page 6 of 10**

- (i) the name of the nurse practitioner or licensed physician;
 - (ii) information identifying the preceptorship in which the nurse practitioner or licensed physician participated;
 - (iii) the number and names of the nurse practitioner students for whom the individual served as a preceptor without compensation; and
 - (iv) any other information that the Department requires.
- (3) For any taxable year, the amount of tax credit stated in the tax credit certificate may not exceed \$10,000.
- (4) The Department shall:
 - (i) approve all applications that qualify for a tax credit certificate under this subsection on a first-come, first-served basis; and
 - (ii) notify a taxpayer within 45 days of receipt of the taxpayer's application of its approval or denial.
- (5) (i) For each taxable year, the total amount of tax credit certificates that may be issued by the Department under this section may not exceed the lesser of:
 - 1. the total funds in the Nurse Practitioner Preceptorship Tax Credit Fund for that year; or
 - 2. \$100,000.
- (ii) If the aggregate amount of tax credit certificates issued under this section during a taxable year total less than the amount authorized under this

HB1252/965968/1 Committee on Ways and Means
Amendments to HB 1252
Page 7 of 10

paragraph, any excess amount may be issued under tax credit certificates in the next taxable year.

(d) (1) In this section, “Fund” means the Nurse Practitioner Preceptorship Tax Credit Fund established under paragraph (2) of this subsection.

(2) There is a Nurse Practitioner Preceptorship Tax Credit Fund.

(3) The Department shall administer the Fund.

(4) The purpose of the Fund is to offset the costs of the tax credit available under this section.

(5) The Fund is a special continuing, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(6) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(7) The Fund consists of:

(i) revenue distributed to the Fund under § 8–206 of the Health Occupations Article;

(ii) money appropriated in the State budget to the Fund; and

(iii) any other money from any other source accepted for the benefit of the Fund.

(8) The money in the Fund shall be invested and reinvested by the State Treasurer, and interest and earnings shall be credited to the General Fund of the State.

(Over)

**HB1252/965968/1 Committee on Ways and Means
Amendments to HB 1252
Page 8 of 10**

(9) (i) Except as otherwise provided in this paragraph, money credited or appropriated to the Fund shall remain in the Fund.

(ii) 1. Within 15 days after the end of each calendar quarter, the Department shall notify the Comptroller as to each credit certificate issued during the quarter.

2. On notification that a credit certificate has been issued by the Department, the Comptroller shall transfer an amount equal to the credit amount stated in the tax credit certificate from the Fund to the General Fund of the State.

(e) On or before January 31 each taxable year, the Department shall:

(1) report to the Comptroller on the tax credit certificates issued under this section during the prior taxable year; and

(2) report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on the utilization of the credit established under this section.

(f) The Department, in consultation with the Governor's Workforce Development Board, shall adopt regulations to carry out the provisions of this section, including the criteria and procedures for application for, approval of, and monitoring eligibility for the tax credit authorized under this section.

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

On page 4, in line 19, strike “FOR WHOM” and substitute “ROTATION OF THE MINIMUM NUMBER OF HOURS REQUIRED UNDER SUBSECTION (B)(1)(I) OF THIS SECTION FOR WHICH”.

On page 6, in line 30, strike “2.” and substitute “3.”.

**HB1252/965968/1 Committee on Ways and Means
Amendments to HB 1252
Page 9 of 10**

On page 7, in lines 2, 5, 8, and 11, in each instance, strike the bracket; in lines 3 and 9, in each instance, strike “5” and substitute “**10**”; in the same lines, in each instance, strike “2021” and substitute “**2026**”; after line 11, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1, 2025, the Maryland Department of Health shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on:

(1) the number of preceptor programs offered in the State during the immediately preceding 5 years;

(2) the number of health care practitioners who have claimed the income tax credits allowed under §§ 10-738, 10-739, and 10-751 of the Tax – General Article, as enacted under Sections 1 and 2 of this Act, during the immediately preceding 5 years; and

(3) whether the income tax credits allowed under §§ 10-738, 10-739, and 10-751 of the Tax – General Article, as enacted under Sections 1 and 2 of this Act, contributed to the expansion of preceptorships over the course of the immediately preceding 5 years in areas of the State identified as having health workforce shortages by the Department.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 2020.”;

in lines 12 and 14, strike “3.” and “4.”, respectively, and substitute “6.” and “7.”, respectively; in line 12, strike “1” and substitute “2”; in the same line, after “Act” insert “shall take effect July 1, 2021, and”; in line 13, after “2021.” insert “It shall remain effective for a period of 5 years and, at the end of June 30, 2026, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no

(Over)

**HB1252/965968/1 Committee on Ways and Means
Amendments to HB 1252
Page 10 of 10**

further force and effect.”; and in line 14, after “That” insert “, except as provided in Section 6 of this Act.”.