

Article - Tax - General

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§10–752. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2026 PER CHAPTERS 153 AND 154 OF 2021 //

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Department” means the Maryland Department of Health.
- (3) “Health care practitioner” means an individual who:
- (i) is licensed to practice medicine under Title 14 of the Health Occupations Article;
 - (ii) is a physician assistant, as defined in § 15–101 of the Health Occupations Article; or
 - (iii) is a registered nurse practitioner, as defined in § 8–101 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 physician assistant program in the State with a health care practitioner who meets the qualifications of a preceptor.
- (b) (1) Subject to the limitations of this section, a health care practitioner 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 health care practitioner served without compensation as a physician assistant preceptor in a preceptorship program approved by the Department and worked:
- (i) a minimum of three rotations, each consisting of at least 100 hours of community–based clinical training in family medicine, general internal medicine, or general pediatrics; 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 health care practitioner, the Department shall issue a tax credit certificate in the amount of \$1,000 for each physician assistant student rotation of the minimum number of hours required under subsection (b)(1)(i) of this section for which the health care practitioner served as a physician assistant preceptor without compensation.

(2) The application shall contain:

(i) the name of the health care practitioner;

(ii) information identifying the physician assistant preceptorship in which the health care practitioner participated;

(iii) the number and names of the 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 an individual within 45 days after receipt of the individual'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 Physician Assistant 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 paragraph, any excess amount may be issued under tax credit certificates in the next taxable year.

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

(2) There is a Physician Assistant 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, 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 § 15–206 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.

(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.

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