

Article - Tax - General

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§10-739.1. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2025 PER CHAPTER 675 OF 2022 //

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Advanced practice registered nurse” has the same meaning stated in § 8-101 of the Health Occupations Article.
- (3) “Department” means the Maryland Department of Health.
- (4) “Licensed practical nurse” 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 licensed practical nurse or registered nurse student enrolled in a nursing education program that is recognized by the State Board of Nursing with a licensed practical nurse, advanced practice registered nurse, or registered nurse who meets the qualifications as a preceptor.
- (6) “Registered nurse” has the meaning stated in § 8-101 of the Health Occupations Article.
- (b) (1) Subject to the limitations of this section, a licensed practical nurse, advanced practice registered nurse, or registered nurse 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 practical nurse, advanced practice registered nurse, or registered nurse 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 licensed practical nurse, advanced practice registered nurse, or registered nurse, the Department shall issue a credit certificate in the amount of \$1,000 for each student rotation of the minimum number of hours required under subsection (b)(1)(i) of this section for which the licensed practical nurse, advanced practice registered nurse, or registered nurse served as a preceptor without compensation.

(2) The application shall contain:

(i) the name of the applicant;

(ii) information identifying the preceptorship in which the applicant 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 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 Licensed Practical Nurse and Registered Nurse 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 totals 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 section, “Fund” means the Licensed Practical Nurse and Registered Nurse Preceptorship Tax Credit Fund established under paragraph (2) of this subsection.

(2) There is a Licensed Practical Nurse and Registered Nurse 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) federal funding provided under:

1. the federal Coronavirus Aid, Relief, and Economic Security Act;

2. the federal Consolidated Appropriations Act, 2021;

3. any other federal COVID–19 pandemic relief funding;

(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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