

SENATE BILL 466

Q3

6lr1792
CF HB 595

By: **Senator King**

Introduced and read first time: February 2, 2026

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 2, 2026

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of altering eligibility for a certain credit against the State income tax for
5 certain physician preceptors by repealing a requirement that a student in a
6 physician preceptorship program be enrolled in a medical school or medical training
7 program in the State and reducing the required number of hours for a preceptor
8 rotation for community–based clinical training; limiting the excess amount of tax
9 credit certificates that the Department may carry forward and issue in subsequent
10 taxable years; and generally relating to a credit against the State income tax for
11 licensed physicians serving as physician preceptors in areas with health care
12 workforce shortages.

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–738
16 Annotated Code of Maryland
17 (2022 Replacement Volume and 2025 Supplement)

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

20 **Article – Tax – General**

21 10–738.

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

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

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

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

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

15 (i) a minimum of three rotations, each consisting of [100] **90** hours
16 of community–based clinical training; and

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

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

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

24 (c) (1) On application by a licensed physician, the Department shall issue a
25 credit certificate in the amount of \$1,000 for each student rotation of the minimum number
26 of hours required under subsection (b)(1)(i) of this section for which the licensed physician
27 served as a physician preceptor without compensation.

28 (2) The application shall contain:

29 (i) the name of the licensed physician;

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

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

1 (iv) any other information that the Department requires.

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

4 (4) The Department shall:

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

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

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

11 (ii) ~~IF~~ **SUBJECT TO THE LIMITATION UNDER SUBPARAGRAPH**
12 **(III) OF THIS PARAGRAPH, IF** the aggregate amount of tax credit certificates issued under
13 this section during a taxable year total less than the amount authorized under this
14 paragraph, any excess amount may be issued under tax credit certificates in the next
15 taxable year.

16 **(III) THE AGGREGATE AMOUNT CARRIED FORWARD FROM ALL**
17 **PRIOR FISCAL YEARS IN ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS**
18 **PARAGRAPH MAY NOT EXCEED \$100,000.**

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

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

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

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

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2026, and shall be applicable to all taxable years beginning after December 31, 2025.