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Budget and Taxation Committee

Health and Human Services
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Joint Committees
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Fair Practices and
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THE SENATE OF MARYLAND
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Testimony for Senate Bill 102
Income Tax - Credits for Preceptors in Areas With Health Care Workforce Shortages
March 25, 2021

Madam Chair Kaiser and Members of the Committee:

Thank you for the opportunity to present Senate Bill 102: Income Tax - Credits for Preceptors in Areas With Health Care Workforce Shortages, which expands the preceptorship tax credit Maryland enacted in 2016.

The current preceptorship tax credit program provides a tax credit to physicians and nurse practitioners, who act as preceptors without compensation in areas designated as having workforce shortages across the State. The nurse practitioner program is funded through a \$15 certification renewal fee and the credit for physicians is funded through the Health Personnel Shortage Incentive Grant Program, a percentage of physicians' fees collected annually.

Senate Bill 102 expands the program to include physician assistants, and those that serve as preceptors for physician assistants, in areas designated as having healthcare workforce shortages. In addition, the bill modifies the hours of a clerkship rotation from 160 to 100 hours, of which a preceptor must serve three rotations. The credit will be funded through a \$15 certification renewal fee, which has been supported by the Maryland Academy of Physician Assistants (MdAPA).

The preceptorship tax credit is a unique, multi-disciplinary, and self-funded program. We had initially introduced two separate bills regarding the program, Senate Bill 92 and 102, for purposes of clarity. The House cross-file, House Bill 1252 combines both of these bills, while also including a study of the program's effectiveness and as a sunset.

The COVID-19 Pandemic has exacerbated the need for qualified health professionals across the State and Senate Bill 102 is an extension of our efforts to recruit healthcare workers in underserved areas. Thank you for your consideration and I respectfully ask for a favorable report of Senate Bill 102.

Best regards,

A handwritten signature in black ink that reads "Addie C. Eckardt".

Senator Addie C. Eckardt