



**Committee:** House Health and Government Operations Committee

**Bill Number:** HB 496 - Income Tax Credits for Nursing Programs. Preceptors In Areas with Healthcare Work Force Shortages - Alterations

**Hearing Date:** February 6, 2025

**Position:** Favorable

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The Maryland Nurses Association strongly supports House bill 496. Maryland established a preceptor tax credit in 2016 for physicians, physician assistant, and nurse practitioner preceptors, funded by a nurse practitioner licensing renewal fee increase. In 2022, the eligibility for the tax credit was expanded to include LPNs, RNs, and advanced practice RN preceptors, requiring them to supervise one nursing student in at least three 100-hour clinical rotations within a year.

**Key Provisions:**

- **Reduces the required number of training hours in a preceptorship program from 100 to 90 hours.**
- Applies to nurse practitioners, licensed physicians, licensed practical nurses, advanced practice registered nurses, and registered nurses.
- Requires these practitioners to work in areas identified as having health care workforce shortages.
- Provides a tax credit of \$1,000 for each preceptorship rotation completed without compensation, with a maximum credit of \$10,000 per taxable year.
- Establishes the Nurse Practitioner Preceptorship Tax Credit Fund to offset the costs of the tax credits.
- Adds a \$15 renewal fee for nurse practitioners holding advanced practice registered nurse

certifications to support the fund.

- Sets a total annual limit of \$100,000 for the tax credit certificates issued by the Maryland Department of Health.
- Specifies that unused credits cannot be carried over to subsequent years.

As stated above, in 2022, the eligibility for the tax credit was expanded to include LPNs, RNs, and advanced practice RN preceptors. **Since the expansion in 2022, only one nursing preceptor has qualified to receive the tax credit.**

The eligibility criteria for the nursing preceptor tax credit are too stringent, making it extremely challenging for LPNs, RNs, and advanced practice nurses to qualify. There is a disconnect between the tax credit eligibility criteria and the clinical training requirements in nursing programs. Lowering the required clinical rotation hours from 100 to 90 will increase eligibility and alleviate the nursing preceptor shortage. This would align with COMAR regulations that provides a student nurse is entitled to on course credit for every 45 hours. Most student nurses perform 90 hours of clinical training rotations, not necessarily 100 hours.

Given the critical shortage of nursing preceptors, it is imperative for the state to incentivize more professionals to serve as nursing preceptors. The Maryland Nurses Association urges the committee to issue a favorable report on HB 496.

If you have any questions, please contact our legislative counsel Bill Kress at [bill@kresshammen.com](mailto:bill@kresshammen.com)