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THE SENATE OF MARYLAND  
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**Senate Bill 466 – Income Tax – Credit for Physician Preceptors in Areas with  
Health Care Workforce Shortages - Alterations**

February 18, 2026

Mister Chairman and Members of the Budget & Taxation Committee:

Maryland and the nation are facing serious physician shortages. According to the latest report from the Association of American Medical Colleges, within ten years, we will be short tens of thousands of physicians. The shortfall will be particularly acute among primary care providers and in primary care deserts, especially in rural areas. Nationwide, rural areas are projected to face a 56% shortage compared with 6% in urban areas, further widening health disparities.

No single policy will solve the physician shortage problem, and the legislature has passed several policies to address this issue, but more needs to be done. To build on previous efforts, we must unblock a key bottleneck: training opportunities.

Under current law, licensed physicians who serve as unpaid preceptors may qualify for a state income tax credit if they supervise Maryland-based medical students in community-based clinical settings located in designated health care workforce shortage areas. Senate Bill 466 will expand that legislation in two ways: First, it removes the requirement that eligible medical students must be enrolled in a Maryland medical school or training program; they can come from other states. Students are more likely to remain in the area where they have done their training, which will help grow our population of doctors. Second, the legislation reduces the required number of hours per clinical rotation from 100 hours to 90 hours. Experienced physicians are more likely to serve as trainers, or preceptors, with this more manageable time commitment.

Senate Bill 466 does not increase the value of the tax credit, the maximum credit per physician, or the annual statewide cap on tax credit certificates, which remains at \$100,000 per taxable year. While the bill may modestly increase participation by making the program more accessible, any increase in utilization would still occur entirely within existing statutory limits.

Senate Bill 466 reflects a thoughtful, targeted approach to supporting medical education and addressing workforce shortages across Maryland. It respects physicians' time, reflects real-world training conditions and strengthens communities that rely most on these providers and so I respectfully request a favorable report on Senate Bill 466.