

HOUSE BILL 496

Q3

5lr1318

By: **Delegate R. Lewis**

Introduced and read first time: January 20, 2025

Assigned to: Ways and Means and Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credits for Nursing Program Preceptors in Areas With Health**
3 **Care Workforce Shortages – Alterations**

4 FOR the purpose of altering the number of training hours that certain health care
5 practitioners are required to perform in a nursing program preceptor rotation in
6 order to qualify for a certain credit against the State income tax; and generally
7 relating to credits against the State income tax for health care practitioners serving
8 as preceptors in areas with health care workforce shortages.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–739(a)(1) and (5) and 10–739.1(a)(1) and (5)
12 Annotated Code of Maryland
13 (2022 Replacement Volume and 2024 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–739(b)(1) and 10–739.1(b)(1)
17 Annotated Code of Maryland
18 (2022 Replacement Volume and 2024 Supplement)

19 BY repealing and reenacting, with amendments,
20 Chapter 675 of the Acts of the General Assembly of 2022
21 Section 5

22 BY adding to
23 Article – Health Occupations
24 Section 8–206(b)(3)
25 Annotated Code of Maryland
26 (2021 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Tax – General
3 Section 10–739
4 Annotated Code of Maryland
5 (2022 Replacement Volume and 2024 Supplement)

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

8 **Article – Tax – General**

9 10–739.

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

11 (5) “Preceptorship program” means an organized system of clinical
12 experience that, for the purpose of attaining specified learning objectives, pairs a nurse
13 practitioner student enrolled in a nursing education program that is recognized by the State
14 Board of Nursing with a nurse practitioner or licensed physician who meets the
15 qualifications as a preceptor.

16 (b) (1) Subject to the limitations of this section, a nurse practitioner or licensed
17 physician may claim a credit against the State income tax in the amount stated on the tax
18 credit certificate issued under subsection (c) of this section for the taxable year in which
19 the nurse practitioner or licensed physician served without compensation as a preceptor in
20 a preceptorship program approved by the State Board of Nursing and worked:

21 (i) a minimum of three rotations, each consisting of at least [100]
22 **90** hours of community–based clinical training; and

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

26 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
27 as follows:

28 **Article – Tax – General**

29 10–739.1.

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

31 (5) “Preceptorship program” means an organized system of clinical
32 experience that, for the purpose of attaining specified learning objectives, pairs a licensed
33 practical nurse or registered nurse student enrolled in a nursing education program that is

1 recognized by the State Board of Nursing with a licensed practical nurse, advanced practice
2 registered nurse, or registered nurse who meets the qualifications as a preceptor.

3 (b) (1) Subject to the limitations of this section, a licensed practical nurse,
4 advanced practice registered nurse, or registered nurse may claim a credit against the State
5 income tax in the amount stated on the tax credit certificate issued under subsection (c) of
6 this section for the taxable year in which the licensed practical nurse, advanced practice
7 registered nurse, or registered nurse served without compensation as a preceptor in a
8 preceptorship program approved by the State Board of Nursing and worked:

9 (i) a minimum of three rotations, each consisting of at least [100]
10 **90** hours of community-based clinical training; and

11 (ii) in an area of the State identified as having a health care
12 workforce shortage by the Department, in consultation with the Governor's Workforce
13 Development Board.

14 Chapter 675 of the Acts of 2022

15 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
16 effect July 1, 2022, and shall be applicable to all taxable years beginning after December
17 31, 2021[, but before January 1, 2025. Section 2 of this Act shall remain effective for a
18 period of 3 years and, at the end of June 30, 2025, Section 2 of this Act, with no further
19 action required by the General Assembly, shall be abrogated and of no further force and
20 effect].

21 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
22 as follows:

23 Article – Health Occupations

24 8–206.

25 (b) (3) (i) **IN ADDITION TO THE FEE SET BY THE BOARD UNDER THIS**
26 **TITLE FOR THE RENEWAL OF A NURSE PRACTITIONER WHO HOLDS AN ADVANCED**
27 **PRACTICE REGISTERED NURSE CERTIFICATION, THE BOARD SHALL ASSESS A**
28 **SEPARATE \$15 FEE FOR THE RENEWAL OF THE NURSE PRACTITIONER, REGARDLESS**
29 **OF THE NUMBER OF CERTIFICATIONS HELD BY THE NURSE PRACTITIONER.**

30 (ii) **THE BOARD SHALL PAY THE FEE COLLECTED UNDER**
31 **SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE NURSE PRACTITIONER**
32 **PRECEPTORSHIP TAX CREDIT FUND ESTABLISHED UNDER § 10–739 OF THE TAX –**
33 **GENERAL ARTICLE.**

34 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
35 as follows:

Article – Tax – General

1

2 **10-739.**

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF
6 HEALTH.

7 (3) “LICENSED PHYSICIAN” MEANS AN INDIVIDUAL WHO IS LICENSED
8 TO PRACTICE MEDICINE UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE.

9 (4) “NURSE PRACTITIONER” HAS THE MEANING STATED IN § 8-101
10 OF THE HEALTH OCCUPATIONS ARTICLE.

11 (5) “PRECEPTORSHIP PROGRAM” MEANS AN ORGANIZED SYSTEM OF
12 CLINICAL EXPERIENCE THAT, FOR THE PURPOSE OF ATTAINING SPECIFIED
13 LEARNING OBJECTIVES, PAIRS A NURSE PRACTITIONER STUDENT ENROLLED IN A
14 NURSING EDUCATION PROGRAM THAT IS RECOGNIZED BY THE STATE BOARD OF
15 NURSING WITH A NURSE PRACTITIONER OR LICENSED PHYSICIAN WHO MEETS THE
16 QUALIFICATIONS AS A PRECEPTOR.

17 (B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A NURSE
18 PRACTITIONER OR LICENSED PHYSICIAN MAY CLAIM A CREDIT AGAINST THE STATE
19 INCOME TAX IN THE AMOUNT STATED ON THE TAX CREDIT CERTIFICATE ISSUED
20 UNDER SUBSECTION (C) OF THIS SECTION FOR THE TAXABLE YEAR IN WHICH THE
21 NURSE PRACTITIONER OR LICENSED PHYSICIAN SERVED WITHOUT COMPENSATION
22 AS A PRECEPTOR IN A PRECEPTORSHIP PROGRAM APPROVED BY THE STATE BOARD
23 OF NURSING AND WORKED:

24 (I) A MINIMUM OF THREE ROTATIONS, EACH CONSISTING OF AT
25 LEAST 90 HOURS OF COMMUNITY-BASED CLINICAL TRAINING; AND

26 (II) IN AN AREA OF THE STATE IDENTIFIED AS HAVING A
27 HEALTH CARE WORKFORCE SHORTAGE BY THE DEPARTMENT, IN CONSULTATION
28 WITH THE GOVERNOR’S WORKFORCE DEVELOPMENT BOARD.

29 (2) (I) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS
30 SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX
31 IMPOSED FOR THAT TAXABLE YEAR.

1 **(II) ANY UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE**
2 **YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.**

3 **(C) (1) ON APPLICATION BY A NURSE PRACTITIONER OR LICENSED**
4 **PHYSICIAN, THE DEPARTMENT SHALL ISSUE A CREDIT CERTIFICATE IN THE**
5 **AMOUNT OF \$1,000 FOR EACH NURSE PRACTITIONER STUDENT ROTATION OF THE**
6 **MINIMUM NUMBER OF HOURS REQUIRED UNDER SUBSECTION (B)(1)(I) OF THIS**
7 **SECTION FOR WHICH THE NURSE PRACTITIONER OR LICENSED PHYSICIAN SERVED**
8 **AS A PRECEPTOR WITHOUT COMPENSATION.**

9 **(2) THE APPLICATION SHALL CONTAIN:**

10 **(I) THE NAME OF THE NURSE PRACTITIONER OR LICENSED**
11 **PHYSICIAN;**

12 **(II) INFORMATION IDENTIFYING THE PRECEPTORSHIP IN**
13 **WHICH THE NURSE PRACTITIONER OR LICENSED PHYSICIAN PARTICIPATED;**

14 **(III) THE NUMBER AND NAMES OF THE NURSE PRACTITIONER**
15 **STUDENTS FOR WHOM THE INDIVIDUAL SERVED AS A PRECEPTOR WITHOUT**
16 **COMPENSATION; AND**

17 **(IV) ANY OTHER INFORMATION THAT THE DEPARTMENT**
18 **REQUIRES.**

19 **(3) FOR ANY TAXABLE YEAR, THE AMOUNT OF TAX CREDIT STATED IN**
20 **THE TAX CREDIT CERTIFICATE MAY NOT EXCEED \$10,000.**

21 **(4) THE DEPARTMENT SHALL:**

22 **(I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX**
23 **CREDIT CERTIFICATE UNDER THIS SUBSECTION ON A FIRST-COME, FIRST-SERVED**
24 **BASIS; AND**

25 **(II) NOTIFY A TAXPAYER WITHIN 45 DAYS OF RECEIPT OF THE**
26 **TAXPAYER'S APPLICATION OF ITS APPROVAL OR DENIAL.**

27 **(5) (I) FOR EACH TAXABLE YEAR, THE TOTAL AMOUNT OF TAX**
28 **CREDIT CERTIFICATES THAT MAY BE ISSUED BY THE DEPARTMENT UNDER THIS**
29 **SECTION MAY NOT EXCEED THE LESSER OF:**

30 **1. THE TOTAL FUNDS IN THE NURSE PRACTITIONER**
31 **PRECEPTORSHIP TAX CREDIT FUND FOR THAT YEAR; OR**

1 **(II) 1. WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR**
2 **QUARTER, THE DEPARTMENT SHALL NOTIFY THE COMPTROLLER AS TO EACH**
3 **CREDIT CERTIFICATE ISSUED DURING THE QUARTER.**

4 **2. ON NOTIFICATION THAT A CREDIT CERTIFICATE HAS**
5 **BEEN ISSUED BY THE DEPARTMENT, THE COMPTROLLER SHALL TRANSFER AN**
6 **AMOUNT EQUAL TO THE CREDIT AMOUNT STATED IN THE TAX CREDIT CERTIFICATE**
7 **FROM THE FUND TO THE GENERAL FUND OF THE STATE.**

8 **(E) ON OR BEFORE JANUARY 31 EACH TAXABLE YEAR, THE DEPARTMENT**
9 **SHALL:**

10 **(1) REPORT TO THE COMPTROLLER ON THE TAX CREDIT**
11 **CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR;**
12 **AND**

13 **(2) REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §**
14 **2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE UTILIZATION OF THE**
15 **CREDIT ESTABLISHED UNDER THIS SECTION.**

16 **(F) THE DEPARTMENT, IN CONSULTATION WITH THE GOVERNOR'S**
17 **WORKFORCE DEVELOPMENT BOARD, SHALL ADOPT REGULATIONS TO CARRY OUT**
18 **THE PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES**
19 **FOR APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX**
20 **CREDIT AUTHORIZED UNDER THIS SECTION.**

21 SECTION 5. AND BE IT FURTHER ENACTED, That:

22 (a) Section 1 of this Act shall be applicable to the taxable year beginning after
23 December 31, 2024, but before January 1, 2026.

24 (b) Section 2 of this Act shall be applicable to all taxable years beginning after
25 December 31, 2024.

26 (c) Subject to the provisions of Section 6 of this Act, Section 4 of this Act shall be
27 applicable to all taxable years beginning after December 31, 2025.

28 SECTION 6. AND BE IT FURTHER ENACTED, That Sections 3 and 4 of this Act
29 shall take effect on the taking effect of the termination provision specified in Section 2 of
30 Chapters 385 and 386 of the Acts of the General Assembly of 2016, as amended by Section
31 3 of Chapters 153 and 154 of the Acts of the General Assembly of 2021. If that termination
32 provision takes effect, Section 1 of this Act, with no further action required by the General
33 Assembly, shall be abrogated and of no further force and effect. This Act may not be
34 interpreted to have any effect on that termination provision.

1 SECTION 7. AND BE IT FURTHER ENACTED, That, subject to the provisions of
2 Section 6 of this Act, this Act shall take effect July 1, 2025.