



## Maryland Income Tax Credit for Preceptors Program

### Frequently Asked Questions

10/11/2022

#### **What are the Preceptor Tax Credit Programs?**

The Income Tax Credit for Preceptors in Areas with Health Care Workforce Shortages Programs (Preceptor Tax Credit Programs) authorize a credit against the state income tax for eligible physicians, physician assistants (PA), and nurse practitioners (NP), certified nurse midwives (CNM), clinical nurse specialists (CNS), certified registered nurse anesthetists (CRNA), registered nurses (RN), and licensed practical nurses (LPN) who provide preceptorship, without compensation, in an organized system of clinical experience for medical, PA, NP, RN, or LPN students in a healthcare workforce shortage area within the state. To receive the tax credit, interested preceptors must apply via the Maryland Department of Health Income Tax Credit for Preceptors application process and meet program eligibility requirements.

#### **What are the Preceptor Tax Credit Programs eligibility requirements?**

Applicants qualify for tax credits if they meet all of the following criteria:

1. Are a licensed physician, PA, NP, CNM, CNS, CRNA, or LPN who is a preceptor without compensation for medical students enrolled in a medical school in Maryland, PA students enrolled in a PA program in Maryland, students enrolled in a NP nursing education program, students enrolled in a RN education program, or students enrolled in LPN education program that is recognized by the Maryland Board of Nursing (see program chart below for a list of eligible professionals, student types, and preceptorship programs).

Eligible Professionals	Eligible Student Type				
	Medical	NP	PA	RN	LPN
Physician (MD or DO)	✓	✓	✓		
Advanced Practice Registered Nurse (APRN)					
Nurse Practitioner (NP)		✓	✓	✓	✓
Certified Nurse Midwife (CNM)				✓	✓
Clinical Nurse Specialist (CNS)				✓	✓
Certified Registered Nurse Anesthetist (CRNA)				✓	✓
Physician Assistant (PA)			✓		
Registered Nurse (RN)				✓	✓
Licensed Practical Nurse (LPN)					✓
<b>Preceptorship Programs</b>					
In-state Preceptorship Programs	UMD, JHU	<a href="#">See link</a>	<a href="#">See link</a>	<a href="#">See link</a>	<a href="#">See link</a>
Recognized Out-of-state Preceptorship Programs	N/A	<a href="#">See link</a>	N/A	<a href="#">See link</a>	

2. Are recognized as a preceptor by a liaison committee in a medical education accredited medical school, PA program, or program recognized by the Maryland Board of Nursing (see chart above).
3. Provide community-based clinical training (preceptorship) in a healthcare workforce shortage area within the state (see program website for more information on workforce shortage areas).
4. Provide preceptorship for a minimum number of rotations (3 rotations) for a minimum number of hours per rotation (100 hours)

#### **How many rotations must I precept?**

A preceptor must precept a minimum of three complete rotations within the tax year to qualify for the Preceptor Tax Credit Program.

#### **How many hours must each rotation be?**

A rotation consists of at least 100 hours of precepted time for medical, physician assistant, nurse practitioner, registered nurse, or licensed practical nurse students.

#### **What is the Preceptor Tax Credit Programs application process?**

The application includes three parts:

- Part 1: Applicant information, to be completed by preceptor
- Part 2: Proof of student attendance, to be completed by preceptor
- Part 3: Proof of preceptorship, to be completed by university

All three parts of the application must be submitted to the Office of Population Health Improvement (OPHI) within the Maryland Department of Health (MDH) by email and by designated deadlines.

See the program website link below for more information about the application and submission.

#### **When can I apply to the Preceptor Tax Credit Programs?**

The annual application is open from December 1 through January 5. Complete applications are processed within 45 days of program receipt, on a first come, first served basis. Tax credits will be issued based on eligibility and are subject to the availability of funds. Please note that processing times may be delayed if a particular application requires follow-up.

#### **What time period does the application cover?**

All preceptor hours must take place within the tax year, January 1 through December 31, prior to the application deadline. For example, applications submitted December 1, 2022 through January 5, 2023 must represent preceptorship rotation hours conducted January 1 through December 31, 2022.

#### **Where can I find the application?**

The Preceptor Tax Credit Programs application is posted on the Maryland Department of Health (MDH) website prior to the annual application cycle annually:

<https://pophealth.health.maryland.gov/Pages/taxcredit.aspx>. Any program updates will be posted to the site as well.

#### **What is the tax credit amount?**

Tax credit certificates will be issued by MDH in the amount of \$1,000 for each qualifying rotation for which the physician, NP PA, CNM, CNS, CRNA, RN, or LPN acted as a preceptor without compensation for an eligible student, at least 100 hours. Tax credited preceptors will receive a \$1,000 credit per rotation, for a minimum of \$3,000 to a maximum of \$10,000. Tax credits are approved on a first come first served basis and are based on the availability of funding.

**What are the tax credit limits?**

The tax credit certificate amount for an individual preceptor for any tax year will not exceed \$10,000.

**Are orientation or classroom hours counted within the required rotation hours?**

No. Only community-based clinical training hours are eligible for inclusion in the Preceptor Tax Credit Programs application.

**Can I claim the tax credit before receiving a certificate from MDH?**

No. Preceptors must first apply and, if approved, MDH will send a certification letter to the preceptor to use to claim credit when filing their taxes. The preceptor must include the certificate when filing their taxes.

**Will preceptors be allowed to carry tax credit certificates from past taxable years?**

No. Tax credit certificates will only be issued and valid for the current taxable year.

**Who should I contact for more information?**

Sadé Diggs, MPH

Coordinator

Office of Workforce Development

Office of Population Health Improvement

Maryland Department of Health

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**Website:** <https://pophealth.health.maryland.gov/Pages/taxcredit.aspx>