



Maryland Income Tax Credit for Preceptors Program

What is the Preceptor Tax Credit Program?

The Maryland Income Tax Credit for Preceptors Program (Preceptor Tax Credit Program) authorizes a credit against the state income tax for eligible physicians, physician assistants (PA), and nurse practitioners (NP) who provide preceptorship, without compensation, in an organized system of clinical experience for medical, PA, or NP 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 Program eligibility requirements?

Applicants are eligible for tax credits if they:

1. Are a licensed physician, PA, or NP who is a preceptor for medical students enrolled in a medical school in Maryland, PA students enrolled in a PA program in Maryland, or students enrolled in a NP nursing education program that is recognized by the Maryland Board of Nursing (see program website link below for a list of eligible nursing programs).
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.
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).

How many rotations must I precept?

A preceptor must precept a minimum of three complete rotations within the tax year to be eligible 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, and nurse practitioner students.

What is the 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?

The application cycle is generally open annually from December 1 through January 5. Complete applications are processed within 45 days of program receipt, on a first come, first served basis and subject to the availability of funds. 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.

Where can I find the application?

The application is posted on the Maryland Department of Health (MDH) website:

<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 rotation for which the physician, PA, or NP acted as a preceptor without compensation for at least 100 hours. Tax credited preceptors will receive a \$1,000 credit per rotation, for a minimum of \$3,000.

What are the tax credit limits?

The tax credit certificate amount for an individual preceptor for any tax year will not exceed \$10,000. The total amount of income tax credit certificates in total may not exceed \$100,000 for any profession (physician, PA, or NP) in a taxable year.

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

No. Only community-based clinical training hours are eligible.

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 for the current taxable year.

Who should I contact for more information?

Sadé Diggs, MPH

Coordinator, Office of Workforce Development and State Office of Rural Health

Office of Population Health Improvement, Maryland Department of Health

Phone: 410-767-6123

Email: mdh.preceptortaxcredit@maryland.gov

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