



Income Tax Credit for Preceptors in Areas with Health Care

Workforce Shortages Programs

FREQUENTLY ASKED QUESTIONS

BACKGROUND

What is the Preceptor Tax Credit Program?

The Income Tax Credit for Preceptors in Areas with Health Care Workforce Shortages Programs ([Preceptor Tax Credit Program](#)) authorizes a credit against the state income tax for eligible physicians, physician assistants (PA), advanced practice registered nurses (APRN), registered nurses (RN), and licensed practical nurses (LPN) who provide preceptorship, without compensation, in an organized system of clinical experience for medical, Nurse Practitioner (NP), PA, 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 laws authorize the Preceptor Tax Credit Programs and guide the operations of the Office of Health Care Workforce Development?

- **Physicians (Medical School) Student Preceptors:**
[Tax-General Article, §10-738, Annotated Code of Maryland](#)
 - Originating Bill: [Senate Bill 0411 \(2016\)](#)
- **Nurse Practitioner Student Preceptors:**
[Tax-General Article, §10-739, Annotated Code of Maryland](#)
 - Originating Bill: [Senate Bill 0411 \(2016\)](#)
- **Physician Assistant Student Preceptors:** [Tax-General Article, §10-752, Annotated Code of Maryland](#)
 - Originating Bill: [Senate Bill 0102 \(2021\)](#)
- **Registered Nurse & Licensed Practical Nurse Student Preceptors:**
[Tax-General Article, §10-739-1, Annotated Code of Maryland](#)
 - Originating Bill: [House Bill 1208 \(2022\)](#)

ELIGIBILITY CRITERIA

What are the Preceptor Tax Credit Program eligibility requirements?

Applicants are eligible for tax credits if they:

1. Are a licensed physician, APRN, PA, RN, or LPN 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 nursing education program that is recognized by the Maryland Board of Nursing as described in the table below:

Preceptor Licensure	Medical Student	NP Student	PA Student	RN Student	LPN Student
Physician	✓	✓	✓		
Advanced Practice Registered Nurses (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)					✓
Supporting Information					
In-state Training Programs	UMD, JHU	See link	See link	See link	See link
Out-of-state	N/A	See link	N/A	See link	See link
Minimum Rotations and Hours per Rotation					
<u>Minimum 3 rotations of:</u>	<u>≥ 100 hours each</u>	<u>≥ 90 hours each</u>	<u>≥ 100 hours each</u>	<u>≥ 90 hours each</u>	<u>≥ 90 hours each</u>

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).
4. Physician Assistant student preceptor must act as a preceptor for a minimum of three distinct rotations, each consisting of at least 100 hours of community-based clinical training in one of the following: family medicine, general internal medicine, or general pediatrics.

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?

Medical Students and Physician Assistant students require a rotation which consists of at least 100 hours of precepted time.

Nurse Practitioner students, Registered Nurse students and Licensed Practical Nurse students require a rotation which consists of at least 90 hours of precepted time.

Type of Student	Rotational Hours required
Medical Students	100
Physician Assistant	100
Nurse Practitioner	90 (NEW)
Registered Nurse	90 (NEW)
Licensed Practical Nurse	90 (NEW)

What area of clinical practice do rotations need to be in?

Rotations must be providing community-based clinical training. Physician Assistant student preceptors must act as preceptors of community-based clinical training specifically in:

- family medicine
- general internal medicine
- general pediatrics.

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

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

Can a preceptor complete multiple rotations with a student?

Preceptor applications may include students that participate in multiple rotations with the preceptor during the tax year, if the preceptor is able to demonstrate distinct rotations that serve the learning objectives of distinct academic courses. To expedite application review, course syllabi or other course descriptions for the student rotations can be submitted with Part 2 of the application.

APPLICATION PROCESS

How do I claim tax credits if I believe I qualify for the program?

Preceptors must apply and have tax credits certified for appropriate tax year prior to claiming credits on state income tax returns. The annual Preceptor Tax Credit

Programs application is open from December 1 through January 5 for the preceding tax year. Tax credits are issued based on applicant qualification and are subject to the availability of funds. Credits can only be certified up to the funding amounts available each year and are not guaranteed for every eligible applicant.

What is the application process?

The program application includes four 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 and submitted by academic institutions of precepted students

Part 4: Professional License

All parts of the application must be submitted following published instructions by designated deadlines. All components of the application must be received by the application cycle deadline. It is vital that applicants track the submission of their application documentation to ensure on-time delivery of a complete and accurate application, including required validation documentation from academic institutions.

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?

Each tax year, the application is posted to the program website 10 business days before the application cycle opening date.

CREDIT AMOUNTS and LIMITS

What is the tax credit amount?

For eligible applications, tax credit certificates will be issued in the amount of \$1,000 for each rotation for which the physician, APRN, PA, RN, or LPN acted as a preceptor without compensation. Tax credited preceptors will receive a \$1,000 credit per rotation, up to the limits noted below. Tax credits are issued based on applicant qualification and are subject to

the availability of funds. Credits can only be certified up to the funding amounts available each year and are not guaranteed for every eligible applicant.

What are the tax credit limits?

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

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.

CONTACT INFORMATION

Who should I contact for more information?

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>