

MedChi

The Maryland State Medical Society

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TO: The Honorable Edward Kasemeyer, Chair
Members, Senate Budget & Taxation Committee
The Honorable Peter A. Hammen

FROM: Joseph A. Schwartz, III
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman

DATE: April 1, 2014

RE: **SUPPORT** – House Bill 668 – *Income Tax Credit – Health Enterprise Zones – Modifications*

The Maryland State Medical Society (MedChi), which represents more than 8,000 Maryland physicians and their patients, supports House Bill 668.

House Bill 668 seeks to redefine and extend the existing income tax credit for hiring in a Health Enterprise Zone (HEZ) to include non-profit entities. MedChi has been a strong supporter of the HEZ program and believes that it will ultimately assist in building much needed capacity to expand access to health care services in medically underserved areas. MedChi was especially encouraged by the creation of the income tax credit which is the subject of this legislation when the program was originally created. As MedChi has long argued, private practices in medically underserved areas are an important asset that should be leveraged to expand access. Creating an income tax credit that can be claimed by a for-profit practice that meets certain criteria helps to assist them in hiring practitioners who will help meet the access needs that are the objective of the program.

The bill as amended addresses MedChi's concern that expansion of the tax credit to include non-profits must also provide special consideration for community based applicants that support the overall goals of the HEZ. The bill, as amended, clarifies that community based applicants will, in fact, be given special consideration. MedChi strongly urges a favorable report. Maximizing the potential for hiring qualified practitioners in HEZs is critical to the achievement of the program's objectives.

For more information call:

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