

HOUSE BILL 1015

Unofficial Copy  
Q7

2000 Regular Session  
(01r2360)

*ENROLLED BILL*  
*-- Ways and Means/Budget and Taxation --*

Introduced by **Delegates Shriver, Hixson, Rosenberg, Bozman, Healey, and Howard**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER 448

1 AN ACT concerning

2 **Work, Not Welfare, and Qualifying Employees with Disabilities Tax Credits**

3 FOR the purpose of altering certain requirements for an individual to qualify as a  
4 qualified employment opportunity employee for purposes of certain tax credits  
5 allowed to employers that hire certain individuals; altering the administration  
6 of certain tax credits allowed to employers that hire certain qualified individuals  
7 with disabilities; including certain disabled veterans within the definition of a  
8 qualified employee with a disability for purposes of the credits allowed to  
9 employers that hire certain qualified individuals with disabilities; altering the  
10 calculation of the credits allowed to employers that hire certain qualified  
11 individuals with disabilities; altering certain termination provisions, dates of  
12 applicability, and required reporting dates for certain tax credits allowed to  
13 employers that hire certain individuals; making a technical correction;  
14 providing for the application of this Act; and generally relating to certain tax  
15 credits allowed to employers that hire certain qualified employment opportunity  
16 employees or certain qualifying individuals with disabilities.

1 BY repealing and reenacting, with amendments,  
2 Article 88A - Department of Human Resources  
3 Section 54  
4 Annotated Code of Maryland  
5 (1998 Replacement Volume and 1999 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article - Education  
8 Section 21-309  
9 Annotated Code of Maryland  
10 (1999 Replacement Volume)

11 BY repealing and reenacting, with amendments,  
12 Chapter 492 of the Acts of the General Assembly of 1995, as amended by  
13 Chapter 10 of the Acts of the General Assembly of 1996 and Chapters 598  
14 and 599 of the Acts of the General Assembly of 1998  
15 Section 3

16 BY repealing and reenacting, with amendments,  
17 Chapter 379 of the Acts of the General Assembly of 1996, as amended by  
18 Chapters 14 and 70 of the Acts of the General Assembly of 1997 and  
19 Chapters 598 and 599 of the Acts of the General Assembly of 1998  
20 Section 3

21 BY repealing and reenacting, with amendments,  
22 Chapter 379 of the Acts of the General Assembly of 1996, as amended by  
23 Chapter 34 of the Acts of the General Assembly of 1999  
24 Section 6

25 BY repealing and reenacting, without amendments,  
26 Chapter 626 of the Acts of the General Assembly of 1996, as amended by  
27 Chapter 14 of the Acts of the General Assembly of 1997 and Chapter 730 of  
28 the Acts of the General Assembly of 1998  
29 Section 4

30 BY repealing and reenacting, without amendments,  
31 Chapter 626 of the Acts of the General Assembly of 1996, as amended by  
32 Chapter 730 of the Acts of the General Assembly of 1998  
33 Section 5

34 BY repealing and reenacting, with amendments,  
35 Chapter 112 of the Acts of the General Assembly of 1997, as amended by  
36 Chapter 614 of the Acts of the General Assembly of 1998  
37 Section 3, 4, and 6

1 BY repealing and reenacting, with amendments,  
2 Chapter 113 of the Acts of the General Assembly of 1997, as amended by  
3 Chapter 614 of the Acts of the General Assembly of 1998  
4 Section 3, 4, and 6

5 BY repealing and reenacting, with amendments,  
6 Chapter 598 of the Acts of the General Assembly of 1998  
7 Section 2

8 BY repealing and reenacting, with amendments,  
9 Chapter 599 of the Acts of the General Assembly of 1998  
10 Section 2

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

13 **Article 88A - Department of Human Resources**

14 54.

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

16 (2) "Business entity" means:

17 (i) A person conducting or operating a trade or business in  
18 Maryland; or

19 (ii) An organization operating in Maryland that is exempt from  
20 taxation under § 501(c)(3) or (4) of the Internal Revenue Code.

21 (3) "Qualified child care expenses" means State regulated child care  
22 expenses that are incurred by a business entity to enable a qualified employment  
23 opportunity employee of the business to be gainfully employed.

24 (4) (i) "Qualified employment opportunity employee" means an  
25 individual who is a resident of Maryland and who for [three months] ANY ~~9~~ 3  
26 MONTHS DURING THE 18 MONTH PERIOD before the individual's employment with a  
27 business entity was a recipient of temporary cash assistance from the State under the  
28 Aid to Families with Dependent Children Program or the Family Investment  
29 Program and who for six months before the individual's employment with a business  
30 entity was a Maryland resident.

31 (ii) "Qualified employment opportunity employee" does not include  
32 an individual who is the spouse of, or has any of the relationships specified in § 152  
33 (a)(1) through (8) of the Internal Revenue Code to, a person who controls, directly or  
34 indirectly, more than 50% of the ownership of the business entity.

1 (5) "Transportation expenses" means expenses that are incurred by a  
2 business entity to enable a qualified employment opportunity employee to travel to  
3 and from work.

4 (6) "Wages" means wages, within the meaning of § 51(c)(1), (2), and (3) of  
5 the Internal Revenue Code without regard to § 51(c)(4) of the Internal Revenue Code,  
6 that are paid by a business entity to an employee for services performed in a trade or  
7 business of the business entity.

8 (b) (1) Except as provided in subsection (e) of this section, a business entity  
9 may claim a tax credit in the amounts determined under subsections (c) and (d) of this  
10 section for the wages and qualified child care or transportation expenses with respect  
11 to a qualified employment opportunity employee that are paid in the taxable year for  
12 which the business entity claims the credit.

13 (2) The same tax credit cannot be applied more than once against  
14 different taxes by the same taxpayer.

15 (c) (1) Except as provided in paragraph (2) of this subsection, for each  
16 taxable year, for the wages paid to each qualified employment opportunity employee,  
17 a credit is allowed in an amount equal to:

18 (i) 30% of up to the first \$6,000 of the wages paid to the qualified  
19 employment opportunity employee during the first year of employment; and

20 (ii) 20% of up to the first \$6,000 of the wages paid to the qualified  
21 employment opportunity employee during the second year of employment.

22 (2) If the qualified employment opportunity employee has been a  
23 recipient of temporary cash assistance from the State under the Aid to Families with  
24 Dependent Children Program or the Family Investment Program for at least 18 of the  
25 last 48 months, whether consecutive or not consecutive, and has been employed for a  
26 full year by a business entity claiming the credit, the credit allowed under this section  
27 is an amount equal to 40% of up to the first \$10,000 in wages paid to the qualified  
28 employment opportunity employee during the first year of employment.

29 (d) For each taxable year, for child care provided or paid for by a business  
30 entity for the children of a qualified employment opportunity employee of the  
31 business entity or for transportation expenses, a credit is allowed in an amount equal  
32 to:

33 (1) Up to \$600 of the qualified child care or transportation expenses  
34 incurred for each qualified employment opportunity employee during the first year of  
35 employment; and

36 (2) Up to \$500 of the qualified child care OR TRANSPORTATION expenses  
37 incurred for each qualified employment opportunity employee during the second year  
38 of employment.

1 (e) (1) A business entity may not claim the credit under this section for an  
2 employee:

3 (i) Who is hired to replace a laid-off employee or to replace an  
4 employee who is on strike; or

5 (ii) For whom the business entity simultaneously receives federal  
6 or State employment training benefits.

7 (2) A business entity may not claim the credit under this section until it  
8 has notified the appropriate government agency that the qualified employment  
9 opportunity employee has been hired.

10 (3) A business entity may claim a credit in the amount provided in  
11 paragraph (4) of this subsection for an employee whose employment lasts less than 1  
12 year if the employee:

13 (i) Voluntarily terminates employment with the employer;

14 (ii) Is unable to continue employment due to death or a disability;  
15 or

16 (iii) Is terminated for cause.

17 (4) (i) If a business entity is entitled to a tax credit under paragraph  
18 (c)(1) of this section for an employee who is employed for less than 1 year because the  
19 employee voluntarily terminates employment with the employer to take another job,  
20 the business entity may claim a tax credit of 30% of up to the first \$6,000 of the wages  
21 paid to the employee during the course of employment.

22 (ii) If a business entity is entitled to a tax credit under paragraph  
23 (c)(1) of this section for an employee who is employed for less than 1 year for a reason  
24 other than that described in subparagraph (i) of this paragraph, the amount of the  
25 credit shall be reduced by the proportion of a year that the employee did not work.

26 (f) If the credit allowed under this section in any taxable year exceeds the  
27 total tax otherwise payable by the business entity for that taxable year, a business  
28 entity may apply the excess as a credit for succeeding taxable years until the earlier  
29 of:

30 (1) The full amount of the excess is used; or

31 (2) The expiration of the fifth taxable year after the taxable year in  
32 which the wages or qualified child care expenses for which the credit is claimed are  
33 paid.

34 (g) If a credit is claimed under this section, the claimant must make the  
35 addition required in § 10-205 or § 10-306 of the Tax - General Article.

1 (h) The Comptroller in cooperation with the Department of Labor, Licensing,  
2 and Regulation and the Department of Human Resources shall administer the credit  
3 under this section.

4 (i) The Department of Labor, Licensing, and Regulation, the Department of  
5 Human Resources, and the Comptroller shall report to the Governor and, subject to §  
6 2-1246 of the State Government Article, to the General Assembly before January 15  
7 of each year on:

8 (1) Marketing activities;

9 (2) The coordination of interagency activities;

10 (3) The number of business entities who hired employment opportunity  
11 employees during the preceding year, including a separate account of the number of  
12 organizations that are exempt from taxation under § 501(c)(3) or (4) of the Internal  
13 Revenue Code;

14 (4) The number of employment opportunity employees;

15 (i) Hired in each business sector for the preceding year; and

16 (ii) Hired during the preceding year and employed for less than 1  
17 year;

18 (5) A summary of the wages paid to employment opportunity employees  
19 for the preceding year;

20 (6) The total number and amount of job certifications issued and credits  
21 claimed during the preceding year as well as the number and amount of job  
22 certifications issued and credits claimed during the preceding year for employment  
23 opportunity employees eligible for the credit granted under subsection (c)(2) of this  
24 section;

25 (7) The number and amount of credits claimed for child care or  
26 transportation expenses incurred, including a summary of the types of transportation  
27 expenses incurred by business entities; and

28 (8) The number of employment opportunity employees employed for:

29 (i) More than 1 year but less than 2 years;

30 (ii) More than 2 years but less than 3 years; and

31 (iii) 3 years or more.

32 **Article - Education**

33 21-309.

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

- 1 (2) "Business entity" means:
- 2 (i) A person conducting or operating a trade or business in  
3 Maryland; or
- 4 (ii) An organization operating in Maryland that is exempt from  
5 taxation under § 501(c)(3) or (4) of the Internal Revenue Code.
- 6 (3) "Division" means the Division of Rehabilitation Services of the  
7 Maryland State Department of Education.
- 8 (4) "Qualified child care or transportation expenses" means:
- 9 (i) State regulated child care expenses that are incurred by a  
10 business entity to enable a qualified employee with a disability to be gainfully  
11 employed; or
- 12 (ii) Transportation expenses that are incurred by a business entity  
13 to enable a qualified employee with a disability to travel to and from work.
- 14 (5) (i) "Qualified employee with a disability" means an individual who:
- 15 1. Meets the definition of an individual with a disability as  
16 defined by the Americans with Disabilities Act;
- 17 2. Has a disability that presently constitutes an impediment  
18 to obtaining or maintaining employment or to transitioning from school to work;
- 19 3. Is ready for employment; and
- 20 4. Has been ~~certified~~ DETERMINED by the {Division} OR  
21 THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, IN CONSULTATION  
22 WITH THE DIVISION, as having met the criteria of a qualified employee with a  
23 disability established under this section.
- 24 (ii) "Qualified employee with a disability" includes [an]:
- 25 1. AN INDIVIDUAL WHO HAS BEEN ~~CERTIFIED~~ DETERMINED  
26 BY THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, IN CONSULTATION  
27 WITH THE UNITED STATES VETERANS ADMINISTRATION, AS HAVING BEEN  
28 DISCHARGED OR RELEASED FROM ACTIVE DUTY IN THE ARMED FORCES OF THE  
29 UNITED STATES FOR A SERVICE-CONNECTED DISABILITY; AND
- 30 2. ANY OTHER individual meeting the definition of  
31 subparagraph (i) of this paragraph, whether or not the individual receives services  
32 from the Division.
- 33 (6) "Wages" means wages, within the meaning of § 51(c)(1), (2), and (3) of  
34 the Internal Revenue Code without regard to § 51(c)(4) of the Internal Revenue Code  
35 that are paid by a business entity to an employee for services performed in a trade or  
36 business of the employer.

1 (b) (1) Except as provided in subsection (e) of this section, a business entity  
2 may claim a tax credit in the amounts determined under subsections (c) and (d) of this  
3 section for the wages and qualified child care or transportation expenses with respect  
4 to a qualified employee with a disability that are paid in the taxable year for which  
5 the business entity claims the credit.

6 (2) The same tax credit cannot be applied more than once against  
7 different taxes by the same taxpayer.

8 (c) For each taxable year, for the wages paid to each qualified employee with  
9 a disability, a credit is allowed in an amount equal to:

10 (1) [20%] 30% of up to the first \$6,000 of the wages paid to the qualified  
11 employee with a disability during the 1st year of employment; and

12 (2) 20% of up to the first \$6,000 of the wages paid to the qualified  
13 employee with a disability during the 2nd year of employment.

14 (d) For each taxable year, for child care provided or paid for by a business  
15 entity for the children of a qualified employee with a disability, or transportation  
16 expenses that are incurred by a business entity to enable a qualified employee with a  
17 disability to travel to and from work, a credit is allowed in an amount equal to:

18 (1) Up to \$600 of the qualified child care or transportation expenses  
19 incurred for each qualified employee with a disability during the first year of  
20 employment; and

21 (2) Up to \$500 of the qualified child care or transportation expenses  
22 incurred for each qualified employee with a disability during the second year of  
23 employment.

24 (e) (1) A business entity may not claim the credit under this section for an  
25 employee:

26 (i) Who is hired to replace a laid-off employee or to replace an  
27 employee who is on strike; or

28 (ii) For whom the business entity simultaneously receives federal  
29 or State employment training benefits.

30 (2) A business entity may not claim the credit under this section until it  
31 has notified the Division that a qualified employee with a disability has been hired.

32 (3) A business entity may claim a credit in the amount provided in  
33 paragraph (5) of this subsection for an employee whose employment lasts less than 1  
34 year if the employee:

35 (i) Voluntarily terminates employment with the employer;

1 (ii) Is unable to continue employment due to a further disability or  
2 death; or

3 (iii) Is terminated for cause.

4 (4) A business entity may not claim the credit under this section if the  
5 business entity is claiming a tax credit for the same employee under Article 88A, § 54  
6 of the Code.

7 (5) (i) If a business entity is entitled to a tax credit for an employee  
8 who is employed for less than 1 year because the employee voluntarily terminates  
9 employment with the employer to take another job, the business entity may claim a  
10 tax credit of [20%] 30% of up to the first \$6,000 of the wages paid to the employee  
11 during the course of employment.

12 (ii) If a business entity is entitled to a tax credit for an employee  
13 who is employed for less than 1 year for a reason other than that described in  
14 subparagraph (i) of this paragraph, the amount of the credit shall be reduced by the  
15 proportion of a year that the employee did not work.

16 (f) If the credit allowed under this section in any taxable year exceeds the  
17 total tax otherwise payable by the business entity for that taxable year, a business  
18 entity may apply the excess as a credit for succeeding taxable years until the earlier  
19 of:

20 (1) The full amount of the excess is used; or

21 (2) The expiration of the 5th taxable year after the taxable year in which  
22 the wages or qualified child care or transportation expenses for which the credit is  
23 claimed are paid.

24 (g) If a credit is claimed under this section, the claimant must make the  
25 addition required in § 10-205 or § 10-306 of the Tax - General Article.

26 (h) (1) Subject to the provisions of this subsection, the DEPARTMENT OF  
27 LABOR, LICENSING, AND REGULATION, ~~IN CONSULTATION WITH~~ AND THE State  
28 Department of Education shall JOINTLY adopt regulations necessary to carry out the  
29 provisions of this section.

30 (2) The Comptroller shall adopt regulations to provide for the  
31 computation and carryover of the credit under § 10-704.7 of the Tax - General Article.

32 (3) The Department of Assessments and Taxation shall adopt  
33 regulations to provide for the computation and carryover of the credit under §§ 8-216  
34 and 8-413 of the Tax - General Article.

35 (4) The Maryland Insurance Commissioner shall adopt regulations to  
36 provide for the computation and carryover of the credit under § 6-115 of the  
37 Insurance Article.

1 (i) The [State Department of Education] DEPARTMENT OF LABOR,  
2 LICENSING, AND REGULATION shall ADMINISTER THE TAX CREDIT AND report to the  
3 Governor, and, subject to § 2-1246 of the State Government Article, to the General  
4 Assembly, before January 15 of each year on:

5 (1) Marketing activities for the credit under this section;

6 (2) The number of business entities who hired a qualified employee with  
7 a disability during the preceding year;

8 (3) The number of qualified employees with disabilities:

9 (i) Hired in each business sector for the preceding year; and

10 (ii) Hired during the preceding year and employed for less than 1  
11 year;

12 (4) A summary of the average hourly wages paid to qualified employees  
13 with disabilities for the preceding year;

14 (5) The number and amount of credits claimed during the preceding  
15 year; and

16 (6) The number and amount of credits claimed for child care or  
17 transportation expenses, including a summary of the types of transportation expenses  
18 incurred by business entities.

19 **Chapter 492 of the Acts of 1995, as amended by Chapter 10 of the Acts of 1996**  
20 **and Chapters 598 and 599 of the Acts of 1998**

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 1995, and shall be applicable to all taxable years beginning after December 31,  
23 1994 but before January 1, [2004] 2006; provided, however, that the tax credit under  
24 Article 88A, § 54 of the Code, as enacted under Section 1 of this Act, shall be allowed  
25 only for employees hired on or after June 1, 1995 but before July 1, [2001] 2003; and  
26 provided further that any excess credits under Article 88A, § 54 of the Code may be  
27 carried forward and, subject to the limitations under Article 88A, § 54 of the Code,  
28 may be applied as a credit for taxable years beginning on or after January 1, [2004]  
29 2006. Except as otherwise provided in this Section, this Act shall remain in effect for  
30 a period of [6] 8 years and at the end of June 30, [2001] 2003, with no further action  
31 required by the General Assembly, this Act shall be abrogated and of no further force  
32 and effect.

**Chapter 379 of the Acts of 1996, as amended by Chapters 14 and 70 of the Acts of 1997 and Chapters 598 and 599 of the Acts of 1998**

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) this Act shall be applicable to all taxable years beginning after December 31, 1995 [, but before January 1, 2004] TO WHICH CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED, ARE APPLICABLE;

(b) the tax credit under § 6-105.1 of the Insurance Article shall be allowed only for employees hired on or after June 1, 1995, but before [July 1, 2001] THE END OF THE HIRING PERIOD SPECIFIED IN CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED; and

(c) any excess credits may be carried forward and, subject to the limitations of Article 88A, § 54 of the Code, may be applied as a credit for [taxable years beginning on or after January 1, 2004] FOR LATER TAXABLE YEARS AS PROVIDED IN CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED.

**Chapter 379 of the Acts of 1996, as amended by ~~Chapters 14 and 70 of the Acts of 1997 and Chapters 598 and 599 of the Acts of 1998 and Chapter 34 of the Acts of 1999~~**

SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall remain in effect [for a period of 5 years and at the end of June 30, 2001,] ONLY UNTIL THE EXPIRATION OF CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED, AND WHEN CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED, TERMINATES AND BECOMES OF NO FURTHER FORCE AND EFFECT, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Chapter 626 of the Acts of 1996, as amended by Chapter 14 of the Acts of 1997 and Chapter 730 of the Acts of 1998**

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after December 31, 1995 to which Chapter 492 of the Acts of 1995, as amended, are applicable; provided however, that:

(1) The tax credits allowed under Section 2 of this Act shall be allowed only for employees hired during the period specified in Chapter 492 of the Acts of 1995, as amended; and

(2) Any excess credits may be carried forward and, subject to the limitations of Article 88A, § 54(f) of the Code, may be applied as a credit for later taxable years as provided in Chapter 492 of the Acts of 1995, as amended.

1                   **Chapter 626 of the Acts of 1996, as amended by Chapter 730 of the Acts of**  
2                   **1998**

3           SECTION 5. AND BE IT FURTHER ENACTED, That, subject to Section 4 of  
4 this Act, Section 2 of this Act shall remain in effect only until the expiration of  
5 Chapter 492 of the Acts of 1995, as amended, and, when Chapter 492 of the Acts of  
6 1995, as amended, terminates and becomes of no further force and effect, with no  
7 further action required by the General Assembly, Section 2 of this Act shall be  
8 abrogated and of no further force and effect.

9                   **Chapter 112 of the Acts of 1997, as amended by Chapter 614 of the Acts of**  
10                   **1998**

11          SECTION 3. AND BE IT FURTHER ENACTED, That the Department of  
12 Legislative Services, based on information provided by and in consultation with the  
13 Department of Education, the Governor's Office for Individuals with Disabilities, the  
14 Developmental Disabilities Administration, the Department of Assessments and  
15 Taxation, and the Comptroller, shall conduct a study of the efficacy and effectiveness  
16 of the tax credit program established under Section 1 of this Act in increasing the  
17 employment and prospects for self-sufficiency of the target population, including an  
18 analysis of the profile of employers having taken advantage of these tax credits in  
19 hiring new employees, the cost effectiveness of the subsidy in reaching State goals,  
20 and the appropriateness of the level of the tax credits. The study shall also include an  
21 analysis of the potential effectiveness of the program based on varying the size,  
22 duration, and structure of the subsidy. The Department shall complete and present  
23 the results of the study to the Senate Budget and Taxation Committee and the House  
24 Committee on Ways and Means by December 1, [2001] 2002.

25          SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be  
26 applicable to all taxable years beginning after December 31, 1996 but before January  
27 1, [2005] 2006; provided, however, that the tax credit under § 21-309 of the Education  
28 Article, as enacted under Section 1 of this Act, shall be allowed only for employees  
29 hired on or after October 1, 1997 but before [January] JULY 1, 2003; and provided  
30 further that any excess credits under § 21-309 of the Education Article may be  
31 carried forward and, subject to the limitations under § 21-309 of the Education  
32 Article, may be applied as a credit for taxable years beginning on or after January 1,  
33 [2005] 2006.

34          SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions  
35 of Section 4 of this Act, this Act shall take effect October 1, 1997. It shall remain in  
36 effect for a period of 5 years and [3] 9 months and at the end of [December 31, 2002]  
37 JUNE 30, 2003, with no further action required by the General Assembly, this Act shall  
38 be abrogated and of no further force and effect.

39                   **Chapter 113 of the Acts of 1997, as amended by Chapter 614 of the Acts of**  
40                   **1998**

41          SECTION 3. AND BE IT FURTHER ENACTED, That the Department of  
42 Legislative Services, based on information provided by and in consultation with the

1 Department of Education, the Governor's Office for Individuals with Disabilities, the  
2 Developmental Disabilities Administration, the Department of Assessments and  
3 Taxation, and the Comptroller, shall conduct a study of the efficacy and effectiveness  
4 of the tax credit program established under Section 1 of this Act in increasing the  
5 employment and prospects for self-sufficiency of the target population, including an  
6 analysis of the profile of employers having taken advantage of these tax credits in  
7 hiring new employees, the cost effectiveness of the subsidy in reaching State goals,  
8 and the appropriateness of the level of the tax credits. The study shall also include an  
9 analysis of the potential effectiveness of the program based on varying the size,  
10 duration, and structure of the subsidy. The Department shall complete and present  
11 the results of the study to the Senate Budget and Taxation Committee and the House  
12 Committee on Ways and Means by December 1, [2001] 2002.

13 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be  
14 applicable to all taxable years beginning after December 31, 1996 but before January  
15 1, [2005] 2006; provided, however, that the tax credit under § 21-309 of the Education  
16 Article, as enacted under Section 1 of this Act, shall be allowed only for employees  
17 hired on or after October 1, 1997 but before [January] JULY 1, 2003; and provided  
18 further that any excess credits under § 21-309 of the Education Article may be  
19 carried forward and, subject to the limitations under § 21-309 of the Education  
20 Article, may be applied as a credit for taxable years beginning on or after January 1,  
21 [2005] 2006.

22 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions  
23 of Section 4 of this Act, this Act shall take effect October 1, 1997. It shall remain in  
24 effect for a period of 5 years and [3] 9 months and at the end of [December 31, 2002]  
25 JUNE 30, 2003, with no further action required by the General Assembly, this Act shall  
26 be abrogated and of no further force and effect.

27

#### Chapter 598 of the Acts of 1998

28 SECTION 2. AND BE IT FURTHER ENACTED, That:

29 (a) The Department of Legislative Services shall conduct a study of the  
30 efficacy and effectiveness of the tax credit program established under this Act in  
31 increasing the employment and prospects for self-sufficiency of the target population,  
32 including an analysis of the profile of employers having taken advantage of these tax  
33 credits in hiring new employees, cost effectiveness of the subsidy in reaching State  
34 goals, and the appropriateness of the levels of the tax credits.

35 (b) In carrying out the study, the Department of Legislative Services shall  
36 receive information from, and consult with, the Department of Human Resources, the  
37 Department of Labor, Licensing, and Regulation, the Department of Assessments and  
38 Taxation, the Comptroller, and appropriate representatives of private employers, and  
39 shall review the data submitted under [subsection 54(i) of] Article 88A, § 54(j) of the  
40 Code.

1 (c) The Department of Legislative Services shall complete and present the  
2 result of the study to the Senate Budget and Taxation Committee and the House  
3 Committee on Ways and Means by December 1, [2000] 2002.

4 **Chapter 599 of the Acts of 1998**

5 SECTION 2. AND BE IT FURTHER ENACTED, That:

6 (a) The Department of Legislative Services shall conduct a study of the  
7 efficacy and effectiveness of the tax credit program established under this Act in  
8 increasing the employment and prospects for self-sufficiency of the target population,  
9 including an analysis of the profile of employers having taken advantage of these tax  
10 credits in hiring new employees, cost effectiveness of the subsidy in reaching State  
11 goals, and the appropriateness of the levels of the tax credits.

12 (b) In carrying out the study, the Department of Legislative Services shall  
13 receive information from, and consult with, the Department of Human Resources, the  
14 Department of Labor, Licensing, and Regulation, the Department of Assessments and  
15 Taxation, the Comptroller, and appropriate representatives of private employers, and  
16 shall review the data submitted under [subsection 54(i) of] Article 88A, § 54(j) of the  
17 Code.

18 (c) The Department of Legislative Services shall complete and present the  
19 result of the study to the Senate Budget and Taxation Committee and the House  
20 Committee on Ways and Means by December 1, [2000] 2002.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2000, provided that the changes made under this Act to Article 88A, § 54 of the  
23 Code and § 21-309 of the Education Article shall be applicable only with respect to  
24 employees hired on or after July 1, 2000.