

# HOUSE BILL 1324

Q3

4lr1233

---

By: **Delegates A. Washington, Anderson, Barnes, Barve, Braveboy, Carr, Gaines, Glenn, Harper, Haynes, Healey, Holmes, Howard, Hubbard, Kaiser, Lee, Luedtke, A. Miller, Nathan-Pulliam, B. Robinson, Stukes, Summers, Swain, V. Turner, Valderrama, Vallario, Vaughn, Walker, and Wilson**

Introduced and read first time: February 7, 2014

Assigned to: Ways and Means

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Youth Employment Act of 2014**

3 FOR the purpose of allowing a qualified employer that employs certain qualified  
4 employees for certain time periods a credit against the State income tax in  
5 certain amounts; providing for the carry forward of excess credits; authorizing  
6 an individual to apply to the Department of Business and Economic  
7 Development to be certified as a qualified employee; requiring the Department  
8 to certify an individual that meets certain criteria as a qualified employee;  
9 prohibiting a qualified employer from asking a qualified employee certain  
10 questions; authorizing a business entity to apply to the Department to be  
11 certified as a qualified employer; requiring the application to contain certain  
12 information; providing that the Department may not certify qualified employers  
13 if the total estimated amount of tax credits to be claimed for the year totals a  
14 certain amount; requiring the Department, in consultation with the State  
15 Department of Education, to adopt regulations providing certain standards for  
16 certain positions; requiring the Department to notify the Comptroller of the  
17 names of the qualified employees and employers; requiring the Department, in  
18 consultation with the Comptroller, to adopt regulations to administer the tax  
19 credit; defining certain terms; providing for the application of this Act; and  
20 generally relating to a tax credit for certain employers that hire certain  
21 individuals.

22 BY adding to

23 Article – Tax – General

24 Section 10–736

25 Annotated Code of Maryland

26 (2010 Replacement Volume and 2013 Supplement)

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Tax – General**

4 **10-736.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
6 MEANINGS INDICATED.

7 (2) “DEPARTMENT” MEANS THE DEPARTMENT OF BUSINESS AND  
8 ECONOMIC DEVELOPMENT.

9 (3) “FULL-TIME JOB” MEANS A JOB THAT REQUIRES AT LEAST 40  
10 HOURS OF WORK EACH WEEK.

11 (4) “PART-TIME JOB” MEANS A JOB THAT REQUIRES AT LEAST 20  
12 HOURS OF WORK EACH WEEK.

13 (5) “QUALIFIED EMPLOYEE” MEANS AN INDIVIDUAL WHO IS:

14 (I) AT LEAST 16 YEARS OLD BUT IS NOT OLDER THAN 24  
15 YEARS OLD; AND

16 (II) CERTIFIED BY THE DEPARTMENT UNDER SUBSECTION  
17 (D) OF THIS SECTION.

18 (6) “QUALIFIED EMPLOYER” MEANS A BUSINESS ENTITY THAT IS  
19 CERTIFIED BY THE DEPARTMENT UNDER SUBSECTION (E) OF THIS SECTION.

20 (B) (1) A QUALIFIED EMPLOYER MAY CLAIM A CREDIT AGAINST THE  
21 STATE INCOME TAX IN THE AMOUNT SPECIFIED IN THIS SUBSECTION FOR THE  
22 TAXABLE YEAR IN WHICH THE QUALIFIED EMPLOYER EMPLOYS A QUALIFIED  
23 EMPLOYEE.

24 (2) (I) A QUALIFIED EMPLOYER MAY CLAIM A CREDIT OF \$500  
25 FOR EACH MONTH THAT A QUALIFIED EMPLOYEE IS EMPLOYED IN A FULL-TIME  
26 JOB.

27 (II) THE CREDIT CLAIMED UNDER THIS PARAGRAPH MAY  
28 NOT EXCEED \$1,500 FOR EACH QUALIFIED EMPLOYEE.

1                   **(3) (I) A QUALIFIED EMPLOYER MAY CLAIM A CREDIT OF \$250**  
2 **FOR EACH MONTH THAT A QUALIFIED EMPLOYEE IS EMPLOYED IN A PART-TIME**  
3 **JOB.**

4                   **(II) THE CREDIT CLAIMED UNDER THIS PARAGRAPH MAY**  
5 **NOT EXCEED \$750 FOR EACH QUALIFIED EMPLOYEE.**

6                   **(4) IF A QUALIFIED EMPLOYEE IS EMPLOYED FOR AT LEAST 9**  
7 **MONTHS, THE QUALIFIED EMPLOYER MAY CLAIM AN ADDITIONAL CREDIT OF:**

8                   **(I) \$1,000 FOR EACH QUALIFIED EMPLOYEE THAT IS**  
9 **EMPLOYED IN A FULL-TIME JOB; AND**

10                   **(II) \$500 FOR EACH QUALIFIED EMPLOYEE THAT IS**  
11 **EMPLOYED IN A PART-TIME JOB.**

12                   **(C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE**  
13 **YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY A QUALIFIED**  
14 **EMPLOYER FOR THAT TAXABLE YEAR, THE QUALIFIED EMPLOYER MAY APPLY**  
15 **THE EXCESS AS A CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE FULL**  
16 **AMOUNT OF THE EXCESS IS USED.**

17                   **(D) (1) EACH YEAR, AN INDIVIDUAL MAY APPLY TO THE**  
18 **DEPARTMENT TO BE CERTIFIED AS A QUALIFIED EMPLOYEE.**

19                   **(2) THE DEPARTMENT SHALL CERTIFY AN INDIVIDUAL AS A**  
20 **QUALIFIED EMPLOYEE IF THE INDIVIDUAL:**

21                   **(I) 1. IS NOT ATTENDING SCHOOL; AND**  
22                                   **2. DOES NOT POSSESS A HIGH SCHOOL DIPLOMA OR**  
23 **GED;**

24                   **(II) IS HOMELESS;**

25                   **(III) IS NOW OR HAS EVER BEEN IN FOSTER CARE;**

26                   **(IV) IS A VETERAN;**

27                   **(V) LIVES IN PUBLIC HOUSING OR RECEIVES HOUSING**  
28 **ASSISTANCE PAYMENTS;**

29                   **(VI) SERVED TIME IN JAIL OR PRISON;**

1 (VII) IS ON PROBATION OR PAROLE;

2 (VIII) IS A PARENT OR PREGNANT;

3 (IX) IS THE CHILD OF A PARENT WHO:

4 1. HAS BEEN IN JAIL OR PRISON WITHIN THE LAST 2  
5 YEARS; OR

6 2. IS COLLECTING UNEMPLOYMENT INSURANCE; OR

7 (X) IS A MEMBER OF A FAMILY THAT RECEIVES:

8 1. FREE OR REDUCED PRICE MEALS UNDER  
9 ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE UNITED STATES  
10 DEPARTMENT OF AGRICULTURE;

11 2. SUPPLEMENTAL NUTRITION ASSISTANCE  
12 PROGRAM BENEFITS;

13 3. SUPPLEMENTAL SECURITY INCOME; OR

14 4. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.

15 (3) A QUALIFIED EMPLOYER MAY NOT ASK A QUALIFIED  
16 EMPLOYEE WHICH CRITERIA THE QUALIFIED EMPLOYEE MET TO BE CERTIFIED  
17 AS A QUALIFIED EMPLOYEE.

18 (E) (1) EACH CALENDAR YEAR, A BUSINESS ENTITY MAY APPLY TO  
19 THE DEPARTMENT TO BE CERTIFIED AS A QUALIFIED EMPLOYER.

20 (2) THE APPLICATION SHALL:

21 (I) DESCRIBE THE POSITION FOR WHICH THE BUSINESS  
22 ENTITY IS SEEKING AN EMPLOYEE;

23 (II) DESCRIBE HOW THE POSITION INTEGRATES SCIENCE,  
24 TECHNOLOGY, ENGINEERING, OR MATHEMATICS;

25 (III) REQUIRE THE BUSINESS ENTITY TO ESTIMATE THE  
26 AMOUNT OF TAX CREDITS THE BUSINESS ENTITY WILL BE ELIGIBLE FOR DURING  
27 THE YEAR; AND

1                   **(IV) REQUIRE ANY OTHER INFORMATION THE DEPARTMENT**  
2 **DETERMINES IS NECESSARY IN ORDER TO EVALUATE THE APPLICATION.**

3                   **(3) THE DEPARTMENT, IN CONSULTATION WITH THE STATE**  
4 **DEPARTMENT OF EDUCATION, SHALL ADOPT REGULATIONS THAT PROVIDE**  
5 **STANDARDS FOR DETERMINING IF A POSITION INTEGRATES SCIENCE,**  
6 **TECHNOLOGY, ENGINEERING, OR MATHEMATICS.**

7                   **(F) THE DEPARTMENT SHALL NOTIFY THE COMPTROLLER OF THE**  
8 **NAMES OF THE QUALIFIED EMPLOYERS AND QUALIFIED EMPLOYEES.**

9                   **(G) IF THE AMOUNT OF TAX CREDITS ESTIMATED TO BE CLAIMED BY**  
10 **QUALIFIED EMPLOYERS DURING A CALENDAR YEAR TOTALS \$2,000,000, THE**  
11 **DEPARTMENT MAY NOT CERTIFY ADDITIONAL QUALIFIED EMPLOYERS IN THAT**  
12 **YEAR.**

13                   **(H) THE DEPARTMENT, IN CONSULTATION WITH THE COMPTROLLER,**  
14 **SHALL ADOPT REGULATIONS TO ADMINISTER THE CREDIT AUTHORIZED UNDER**  
15 **THIS SECTION.**

16                   **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
17 **July 1, 2014, and shall be applicable to all taxable years beginning after December 31,**  
18 **2014.**