

HOUSE BILL 1163

Q3

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By: Delegates Summers, Hixson, Anderson, Bates, Beitzel, Bohanan, Boteler, Bromwell, Carter, Clagett, Conaway, Conway, Cullison, Davis, DeBoy, Gaines, George, Glass, Glenn, Harper, Hogan, Howard, Hubbard, Impallaria, Ivey, Jacobs, Jones, Kach, Kaiser, K. Kelly, Kipke, Lee, Luedtke, McDermott, McHale, A. Miller, W. Miller, Minnick, Myers, O'Donnell, Oaks, Otto, S. Robinson, Rudolph, Schuh, Schulz, Serafini, Smigiel, Stocksdales, Stukes, Szeliga, Tarrant, F. Turner, Valderrama, Vaughn, Walker, A. Washington, Weir, and Wilson

Introduced and read first time: February 7, 2014

Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Income Tax Credit – Hiring Qualified Veterans

FOR the purpose of allowing an individual or corporation to claim a credit against the State income tax for certain wages paid to certain qualified veterans; defining a certain term; providing for the application of this Act; and generally relating to a credit against the State income tax for hiring certain qualified veterans.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–704.7
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

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

Article – Tax – General

10–704.7.

(A) (1) IN THIS SECTION, “QUALIFIED VETERAN” MEANS AN INDIVIDUAL CERTIFIED BY THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION WHO:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(I) 1. SERVED ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES FOR AT LEAST 180 DAYS; OR

2. WAS DISCHARGED OR RELEASED FROM ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES FOR A SERVICE-CONNECTED DISABILITY; AND

(II) IS A MEMBER OF A FAMILY THAT RECEIVED SUPPLEMENTAL NUTRITION ASSISTANCE UNDER THE FEDERAL FOOD AND NUTRITION ACT OF 2008 FOR AT LEAST 3 MONTHS DURING THE 12-MONTH PERIOD PRIOR TO THE INDIVIDUAL'S HIRING DATE.

(2) "QUALIFIED VETERAN" INCLUDES A DISABLED VETERAN CERTIFIED BY THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION WHO IS ENTITLED TO COMPENSATION FOR A SERVICE-CONNECTED DISABILITY AND:

(I) IS HIRED WITHIN 1 YEAR FROM THE DATE THE INDIVIDUAL WAS DISCHARGED OR RELEASED FROM ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES; OR

(II) HAS BEEN UNEMPLOYED FOR AT LEAST 6 MONTHS DURING THE 12-MONTH PERIOD PRIOR TO THE INDIVIDUAL'S HIRING DATE.

[(a)] (B) An individual or a corporation may claim a credit against the income tax for:

(1) wages paid to a qualified employee with a disability; [and]

(2) (i) child care provided or paid for by a business entity for the children of a qualified employee with a disability as provided under § 21-309 of the Education Article; or

(ii) transportation provided or paid for by the business entity for a qualified employee with a disability as provided under § 21-309 of the Education Article; AND

(3) WAGES PAID TO A QUALIFIED VETERAN.

[(b)] (C) (1) An organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code may apply the credit under this section:

(i) as a credit against income tax due on unrelated business taxable income as provided under §§ 10–304 and 10–812 of this title; or

(ii) as a credit for the payment to the Comptroller of taxes that the organization:

1. is required to withhold from the wages of employees under § 10–908 of this title; and

2. is required to pay to the Comptroller under § 10–906(a) of this title.

(2) If the credit allowed under this subsection in any taxable year exceeds the sum of the State income tax otherwise payable by the organization for that taxable year and the taxes that the organization has withheld from the wages of employees and is required to pay to the Comptroller under § 10–906(a) of this title for the taxable year, the organization may apply the excess as a credit under paragraph (1)(i) or (ii) of this subsection in succeeding taxable years for the carryforward period provided in § 21–309 of the Education Article.

(3) The Comptroller shall adopt regulations to provide procedures for claiming and applying credits authorized under paragraph (1)(ii) of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013.