

# HOUSE BILL 1324

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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

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## A BILL ENTITLED

AN ACT concerning

### **Maryland Youth Employment Act of 2014**

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

BY adding to

Article – Tax – General

Section 10–736

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

**Article – Tax – General**

**10-736.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**(II) IS HOMELESS;**

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

**(IV) IS A VETERAN;**

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

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

**(VII) IS ON PROBATION OR PAROLE;**

**(VIII) IS A PARENT OR PREGNANT;**

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

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

**2. IS COLLECTING UNEMPLOYMENT INSURANCE; OR**

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

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

**2. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS;**

**3. SUPPLEMENTAL SECURITY INCOME; OR**

**4. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

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

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

**(2) THE APPLICATION SHALL:**

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

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

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

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

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

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

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

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

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, 2014.