SENATE BILL 922

K3, Q3

By: Senators Rosapepe, Bates, Benson, Conway, Currie, Feldman, Ferguson, Guzzone, Kagan, Kelley, Klausmeier, Madaleno, Manno, Mathias, McFadden, Muse, Nathan-Pulliam, Peters, Raskin, Salling, Simonaire, Waugh, Young, and Zucker

Introduced and read first time: February 5, 2016
Assigned to: Finance and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

Career Apprenticeship Opportunity Act of 2016

3 FOR the purpose of requiring the State Board of Education to develop, on or before a certain date, certain goals for percentages of certain students for completing certain career and technical education programs and earning certain credentials; stating certain goals of the State; requiring, on or before a certain date, the State Board to develop a method to consider, under certain circumstances, a student’s attainment of a certain credential as equivalent to a certain Advanced Placement examination score for a certain purpose; requiring the State Board to report to the Governor and the General Assembly on or before a certain date regarding the progress towards attaining certain goals; requiring the Division of Workforce Development and Adult Learning to partner with certain State departments to identify, by a certain date, opportunities to create certain registered apprenticeship programs for a certain purpose; allowing a credit against the State income tax for the employment of a certain eligible apprentice under certain circumstances; providing that the credit may not exceed a certain amount; providing that any unused credit may be carried forward to another taxable year; requiring a taxpayer claiming the credit to attach certain proof to the taxpayer’s return; requiring the Comptroller to adopt certain regulations; providing for the application of this Act; defining a certain term; and generally relating to career and technical education programs and certain apprenticeships in the State.

22 BY adding to
23 Article – Education
24 Section 21–204
25 Annotated Code of Maryland
26 (2014 Replacement Volume and 2015 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
BY repealing and reenacting, without amendments,
Article – Labor and Employment
Section 11–102(a)
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 11–103
Annotated Code of Maryland
(2008 Replacement Volume and 2015 Supplement)

BY adding to
Article – Tax – General
Section 10–737
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

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

Article – Education

21–204.

(A) ON OR BEFORE DECEMBER 1, 2016, THE STATE BOARD, IN
CONSULTATION WITH THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION
AND THE GOVERNOR’S WORKFORCE INVESTMENT BOARD, SHALL ESTABLISH, FOR
EACH YEAR FOR 2016 THROUGH 2024, INCLUSIVE, STATEWIDE GOALS THAT REACH
THE GOAL IDENTIFIED IN SUBSECTION (C) OF THIS SECTION BY JANUARY 1, 2025,
FOR THE PERCENTAGES OF HIGH SCHOOL GRADUATES TO:

(1) COMPLETE EACH CAREER AND TECHNICAL EDUCATION
PROGRAM; AND

(2) EARN INDUSTRY RECOGNIZED OCCUPATIONAL OR SKILL
CREDENTIALS.

(B) ON OR BEFORE DECEMBER 1, 2016, THE DEPARTMENT OF LABOR,
LICENSING, AND REGULATION AND THE GOVERNOR’S WORKFORCE INVESTMENT
BOARD SHALL DEVELOP ANNUAL INCOME EARNINGS GOALS FOR HIGH SCHOOL
GRADUATES WHO HAVE NOT EARNED AT LEAST A 2–YEAR COLLEGE DEGREE BY AGE
25.
(C) It is the goal of the State that, on or before January 1, 2025, at least 45% of the students described under subsection (A) of this section shall successfully complete a career and technical education program or earn industry recognized occupational or skill credentials before leaving high school.

(D) On or before December 1, 2016, the State Board shall develop a method to consider a student’s attainment of a State–approved industry credential as equivalent to earning a score of 3 or better on an Advanced Placement examination for purposes of the School Performance Index established by the Department, if the student:

1. Was enrolled in the State–approved CTE Program of Study at the concentrator level or higher; and
2. Successfully earned the credential aligned with the State–approved CTE Program of Study.

(E) On or before December 1, 2016, and December 1 of each year thereafter, the State Board shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly on the progress towards attaining the goals established by the State Board in accordance with subsection (A) of this section and the goals established under subsection (B) of this section.

Article – Labor and Employment

11–102.

(a) There is a Division of Workforce Development and Adult Learning within the Department of Labor, Licensing, and Regulation.

11–103.

(a) The Division shall:

1. promote apprenticeship and training programs;
2. administer job training, placement, and service programs;
3. implement the provisions of the Workforce Investment Act;
4. administer adult education and literacy services programs;
(5) conduct educational and job skills training programs in adult correctional facilities;

(6) oversee any other units established pursuant to State or federal employment, training, or manpower statutes; and

(7) administer those programs assigned to the Division by law or designated by the Secretary.

(b) The Division shall meet and confer on a regular basis with representatives of the State’s community colleges, appointed by the Maryland Association of Community Colleges, and the adult education community, appointed by the Maryland Association for Adult Continuing and Community Education, to assure that adult education and literacy services and job training activities and resources are effectively coordinated.

(C) The Division shall partner with State departments to identify, before January 1, 2017, opportunities to create registered apprenticeship programs to help address the workforce needs of those departments.

(D) It is a goal of the State that, on or after January 1, 2026, 80,000 apprenticeships shall be registered each year in the State.

Article – Tax – General

10–737.

(A) In this section, “eligible apprentice” means an individual who:

(1) is enrolled in an apprenticeship program registered with the Maryland Apprenticeship and Training Council in accordance with § 11–405 of the Labor and Employment Article; and

(2) has been employed by the taxpayer for at least 7 full months of the taxable year.

(B) Subject to the limitations of this section, a taxpayer may claim a credit against the State income tax for the first year of employment of an eligible apprentice.

(C) (1) For any taxable year, the credit allowed under this section may not exceed the lesser of:

(1) $1,000 for each eligible apprentice; or
(II) the State income tax imposed for the taxable year calculated before the application of the credits allowed under this section and under §§ 10–701 and 10–701.1 of this subtitle but after the application of any other credit allowed under this subtitle.

(2) if the credit otherwise allowable under subsection (b) of this section exceeds the limit under paragraph (1) of this subsection, an individual may apply the excess as a credit against the State income tax for succeeding taxable years until the full amount of the excess is used.

(D) a taxpayer claiming the credit allowed under this section shall attach to the taxpayer’s return, for each eligible apprentice for which the credit is claimed, proof of:

(1) the enrollment of the eligible apprentice in a registered apprenticeship program; and

(2) the duration of the eligible apprentice’s employment by the taxpayer.

(E) the comptroller shall adopt regulations to:

(1) implement the provisions of this section; and

(2) specify criteria and procedures for application for, approval of, and monitoring continuing eligibility for the tax credit under this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.