

# SENATE BILL 922

K3, Q3

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CF HB 1187

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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~~ Zucker, Astle, Hershey, Middleton, Pugh, and Reilly**

Introduced and read first time: February 5, 2016

Assigned to: Finance and Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Career Apprenticeship Opportunity Act of 2016**

3 FOR the purpose of requiring the State Board of Education to develop, on or before a certain  
4 date, certain goals for percentages of certain students for completing certain career  
5 and technical education programs and earning certain credentials; stating certain  
6 goals of the State; requiring, on or before a certain date, the State Board to develop  
7 a method to consider, under certain circumstances, a student's attainment of a  
8 certain credential or completion of a certain apprenticeship program as equivalent  
9 to a certain Advanced Placement examination score for a certain purpose; requiring  
10 the State Board to report to the Governor and the General Assembly on or before a  
11 certain date regarding the progress towards attaining certain goals; requiring the  
12 Division of Workforce Development and Adult Learning to partner with certain State  
13 departments to identify, by a certain date, opportunities to create certain registered  
14 apprenticeship programs for a certain purpose; requiring the Division to identify  
15 opportunities to create certain registered apprenticeship programs to address the  
16 workforce needs of the State; allowing a credit against the State income tax for the  
17 employment of a certain eligible apprentice under certain circumstances; providing  
18 that the credit may not exceed a certain amount; providing that any unused credit  
19 may be carried forward to another taxable year; limiting the amount of certain  
20 credits approved by the Comptroller in a taxable year; requiring a taxpayer claiming  
21 the credit to attach certain proof to the taxpayer's return; requiring the Comptroller

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 to adopt certain regulations; providing for the application of this Act; providing for  
2 the termination of certain provisions of this Act; defining a certain term; and  
3 generally relating to career and technical education programs and certain  
4 apprenticeships in the State.

5 BY adding to  
6 Article – Education  
7 Section 21–204  
8 Annotated Code of Maryland  
9 (2014 Replacement Volume and 2015 Supplement)

10 BY repealing and reenacting, without amendments,  
11 Article – Labor and Employment  
12 Section 11–102(a)  
13 Annotated Code of Maryland  
14 (2008 Replacement Volume and 2015 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article – Labor and Employment  
17 Section 11–103  
18 Annotated Code of Maryland  
19 (2008 Replacement Volume and 2015 Supplement)

20 BY adding to  
21 Article – Tax – General  
22 Section 10–737  
23 Annotated Code of Maryland  
24 (2010 Replacement Volume and 2015 Supplement)

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

27 **Article – Education**

28 **21–204.**

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

35 **(1) COMPLETE EACH CAREER AND TECHNICAL EDUCATION**  
36 **PROGRAM; AND**

1           (2) EARN INDUSTRY RECOGNIZED OCCUPATIONAL OR SKILL  
2 CREDENTIALS.

3           (B) ON OR BEFORE DECEMBER 1, 2016, THE DEPARTMENT OF LABOR,  
4 LICENSING, AND REGULATION AND THE GOVERNOR'S WORKFORCE INVESTMENT  
5 BOARD SHALL DEVELOP ANNUAL INCOME EARNINGS GOALS FOR HIGH SCHOOL  
6 GRADUATES WHO HAVE NOT EARNED AT LEAST A 2-YEAR COLLEGE DEGREE BY AGE  
7 25.

8           (C) IT IS THE GOAL OF THE STATE THAT, ON OR BEFORE JANUARY 1, 2025,  
9 AT LEAST 45% OF THE STUDENTS DESCRIBED UNDER SUBSECTION (A) OF THIS  
10 SECTION SHALL SUCCESSFULLY COMPLETE A CAREER AND TECHNICAL EDUCATION  
11 PROGRAM OR EARN INDUSTRY RECOGNIZED OCCUPATIONAL OR SKILL  
12 CREDENTIALS BEFORE LEAVING HIGH SCHOOL.

13           (D) ON OR BEFORE DECEMBER 1, 2016, THE STATE BOARD SHALL DEVELOP  
14 A METHOD TO CONSIDER A STUDENT'S ATTAINMENT OF A STATE-APPROVED  
15 INDUSTRY CREDENTIAL OR COMPLETION OF AN APPRENTICESHIP PROGRAM AS  
16 EQUIVALENT TO EARNING A SCORE OF 3 OR BETTER ON AN ADVANCED PLACEMENT  
17 EXAMINATION FOR PURPOSES OF THE SCHOOL PERFORMANCE INDEX  
18 ESTABLISHED BY THE DEPARTMENT, IF THE STUDENT:

19           (1) (I) WAS ENROLLED IN THE STATE-APPROVED CTE PROGRAM  
20 OF STUDY AT THE CONCENTRATOR LEVEL OR HIGHER; AND

21           ~~(2)~~ (II) SUCCESSFULLY EARNED THE CREDENTIAL ALIGNED WITH  
22 THE STATE-APPROVED CTE PROGRAM OF STUDY; OR

23           (2) SUCCESSFULLY COMPLETED AN APPRENTICESHIP PROGRAM  
24 APPROVED BY THE MARYLAND APPRENTICESHIP TRAINING COUNCIL IN  
25 ACCORDANCE WITH § 11-405 OF THE LABOR AND EMPLOYMENT ARTICLE.

26           (E) ON OR BEFORE DECEMBER 1, 2016, AND DECEMBER 1 OF EACH YEAR  
27 THEREAFTER, THE STATE BOARD SHALL REPORT TO THE GOVERNOR AND, IN  
28 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL  
29 ASSEMBLY ON THE PROGRESS TOWARDS ATTAINING THE GOALS ESTABLISHED BY  
30 THE STATE BOARD IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION AND  
31 THE GOALS ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.

## 32   Article – Labor and Employment

33 11-102.

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

3 11-103.

4 (a) The Division shall:

5 (1) promote apprenticeship and training programs;

6 (2) administer job training, placement, and service programs;

7 (3) implement the provisions of the Workforce Investment Act;

8 (4) administer adult education and literacy services programs;

9 (5) conduct educational and job skills training programs in adult  
10 correctional facilities;

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

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

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

20 (C) **THE DIVISION SHALL PARTNER WITH STATE DEPARTMENTS TO**  
21 **IDENTIFY, BEFORE JANUARY 1, 2017, OPPORTUNITIES TO CREATE REGISTERED**  
22 **APPRENTICESHIP PROGRAMS TO HELP ADDRESS THE WORKFORCE NEEDS OF THOSE**  
23 **DEPARTMENTS.**

24 ~~(D) IT IS A GOAL OF THE STATE THAT, ON OR AFTER JANUARY 1, 2026,~~  
25 ~~80,000 APPRENTICESHIPS SHALL BE REGISTERED EACH YEAR IN THE STATE~~ THE  
26 DIVISION SHALL IDENTIFY OPPORTUNITIES TO CREATE REGISTERED  
27 APPRENTICESHIP PROGRAMS, INCLUDING GOALS FOR THE NUMBER OF  
28 APPRENTICESHIPS REGISTERED EACH YEAR, TO HELP ADDRESS THE WORKFORCE  
29 NEEDS OF THE STATE.

30 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
31 as follows:

1 10-737.

2 (A) IN THIS SECTION, "ELIGIBLE APPRENTICE" MEANS AN INDIVIDUAL WHO:

3 (1) IS ENROLLED IN AN APPRENTICESHIP PROGRAM REGISTERED  
4 WITH THE MARYLAND APPRENTICESHIP AND TRAINING COUNCIL IN ACCORDANCE  
5 WITH § 11-405 OF THE LABOR AND EMPLOYMENT ARTICLE; AND

6 (2) HAS BEEN EMPLOYED BY THE TAXPAYER FOR AT LEAST 7 FULL  
7 MONTHS OF THE TAXABLE YEAR.

8 (B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY  
9 CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE FIRST YEAR OF  
10 EMPLOYMENT OF AN ELIGIBLE APPRENTICE.

11 (C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS  
12 SECTION MAY NOT EXCEED THE LESSER OF:

13 (I) \$1,000 FOR EACH ELIGIBLE APPRENTICE; OR

14 (II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR  
15 CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED UNDER THIS  
16 SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE BUT AFTER THE  
17 APPLICATION OF ANY OTHER CREDIT ALLOWED UNDER THIS SUBTITLE.

18 (2) IF THE CREDIT OTHERWISE ALLOWABLE UNDER SUBSECTION (B)  
19 OF THIS SECTION EXCEEDS THE LIMIT UNDER PARAGRAPH (1) OF THIS SUBSECTION,  
20 AN INDIVIDUAL MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME  
21 TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE EXCESS IS  
22 USED.

23 (3) FOR ANY TAXABLE YEAR, THE TOTAL AMOUNT OF CREDITS  
24 APPROVED BY THE COMPTROLLER UNDER THIS SECTION MAY NOT EXCEED  
25 \$500,000.

26 (D) A TAXPAYER CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION  
27 SHALL ATTACH TO THE TAXPAYER'S RETURN, FOR EACH ELIGIBLE APPRENTICE FOR  
28 WHICH THE CREDIT IS CLAIMED, PROOF OF:

29 (1) THE ENROLLMENT OF THE ELIGIBLE APPRENTICE IN A  
30 REGISTERED APPRENTICESHIP PROGRAM; AND

1           **(2) THE DURATION OF THE ELIGIBLE APPRENTICE’S EMPLOYMENT BY**  
2 **THE TAXPAYER.**

3           **(E) THE COMPTROLLER SHALL ADOPT REGULATIONS TO:**

4           **(1) IMPLEMENT THE PROVISIONS OF THIS SECTION; AND**

5           **(2) SPECIFY CRITERIA AND PROCEDURES FOR APPLICATION FOR,**  
6 **APPROVAL OF, AND MONITORING CONTINUING ELIGIBILITY FOR THE TAX CREDIT**  
7 **UNDER THIS SECTION.**

8           ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June~~  
9 ~~1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.~~

10           SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
11 effect July 1, 2016, and shall be applicable to all taxable years beginning after December  
12 31, 2015. It shall remain effective for a period of 3 years and, at the end of June 30, 2019,  
13 with no further action required by the General Assembly, Section 2 of this Act shall be  
14 abrogated and of no further force and effect.

15           SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section  
16 3 of this Act, this Act shall take effect June 1, 2016.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.