

SENATE BILL 317

C8, Q3, Q1

7lr0194
CF HB 394

By: **The President (By Request – Administration) and Senators Bates, Cassilly, Eckardt, Edwards, Hershey, Hough, Jennings, Mathias, McFadden, Salling, Serafini, Simonaire, ~~and Waugh~~ Waugh, Kasemeyer, Madaleno, Currie, DeGrange, Ferguson, Guzzone, King, Peters, Klausmeier, and Rosapepe**

Introduced and read first time: January 20, 2017

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 24, 2017

CHAPTER _____

1 AN ACT concerning

2 **More Jobs for Marylanders Act of 2017**

3 FOR the purpose of requiring the Governor each fiscal year to appropriate at least a certain
4 amount for the Partnership for Workforce Quality Program; establishing the More
5 Jobs for Marylanders Program within the Department of Commerce to provide
6 certain manufacturing business entities tax credits and benefits for a certain number
7 of years; ~~providing that certain business entities receiving tax credits under certain~~
8 ~~programs are not eligible to receive the credits or benefits under the Program;~~
9 requiring the Department to administer the Program; authorizing certain types of
10 businesses to receive certain credits ~~and benefits~~ under the Program; providing for
11 the termination of certain business entities from the Program under certain
12 circumstances; authorizing the Secretary of the Department to ~~establish~~ adopt any
13 regulation necessary to implement the Program; requiring the Department to report
14 to the General Assembly on or before a certain date; ~~providing that certain business~~
15 ~~entities certified under the Program are not required to pay certain fees;~~ establishing
16 a Workforce Development Sequence Scholarship to be administered by the Office of
17 Student Financial Assistance in the Maryland Higher Education Commission;
18 authorizing an individual to apply to the Office for a scholarship if the individual is
19 an eligible student; providing for the uses of the scholarship; establishing the
20 maximum award amount of the scholarship; requiring the Governor annually to
21 include at least a certain appropriation in the State budget to the Commission for
22 the Workforce Development Sequence Scholarship; requiring the Commission to

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 submit a certain report to the General Assembly on or before a certain date each
 2 year; requiring the State Board of Education to develop, on or before a certain date
 3 and in consultation with the Department of Labor, Licensing, and Regulation and
 4 the Governor's Workforce Development Board, certain goals for percentages of
 5 certain students for completing certain career and technical education programs and
 6 earning certain credentials; requiring the Maryland Longitudinal Data System
 7 Center and the Board to develop certain income earnings goals; stating certain goals
 8 of the State; requiring, on or before a certain date, the State Board to develop a
 9 method to consider, under certain circumstances, a student's attainment of a certain
 10 credential or completion of a certain apprenticeship program as equivalent to a
 11 certain Advanced Placement examination score for a certain purpose; requiring the
 12 State Board to report to the Governor and the General Assembly on or before a
 13 certain date regarding the progress toward attaining certain goals; requiring the
 14 Division of Workforce Development and Adult Learning in the Department to
 15 partner with certain State departments to identify, by a certain date, opportunities
 16 to create certain registered apprenticeship programs for a certain purpose; requiring
 17 the Division to identify opportunities to create certain registered apprenticeship
 18 programs to address the workforce needs of the State; allowing a credit against the
 19 State income tax for certain income of business entities certified under the Program;
 20 ~~authorizing an exemption from the State sales and use tax for certain costs of certain~~
 21 ~~business entities certified under the Program; providing a credit against the State~~
 22 ~~property tax for certain business entities certified under the Program; allowing a~~
 23 credit against the State income tax for the employment of a certain eligible
 24 apprentice under certain circumstances; providing an exemption for certain property
 25 of a manufacturing entity from a certain limitation on the applicability of certain
 26 Maryland income tax modifications for certain deductions for the cost of business
 27 property placed in service that is treated as an expense for federal income tax
 28 purposes; providing an exemption for certain property of a manufacturing entity
 29 from a certain limitation on the applicability of certain Maryland income tax
 30 modifications for a certain additional depreciation allowance under the federal
 31 income tax for business property placed in service; requiring certain agencies to
 32 report certain information; stating a certain finding of the General Assembly;
 33 requiring the Governor to work with the chief executive officers of certain states to
 34 negotiate a certain agreement by a certain date; requiring the agreement to specify
 35 certain information; requiring the executives to propose certain approaches to ensure
 36 compliance with the agreement; requiring the Governor to report to certain
 37 committees of the General Assembly on or before a certain date; defining certain
 38 terms; providing for the application of this Act; providing for the termination of a
 39 certain provision of this Act; and generally relating to certain ~~tax credits, income tax~~
 40 ~~credits, incentives, and workforce development programs. exemptions, and other~~
 41 ~~benefits for certain manufacturing businesses.~~

42 BY repealing and reenacting, without amendments,

43 Article – Economic Development

44 Section ~~1–101(a), (b), (c), and (f)~~ 1–101(a), (b), and (f), 3–402, and 6–101(a) and (e)

45 Annotated Code of Maryland

46 (2008 Volume and 2016 Supplement)

1 BY adding to
2 Article – Economic Development
3 Section ~~3–411(g); and 6–801~~ through 6–809 to be under the new subtitle “Subtitle 8.
4 More Jobs for Marylanders Program”
5 Annotated Code of Maryland
6 (2008 Volume and 2016 Supplement)

7 ~~BY repealing and reenacting, with amendments,~~
8 ~~Article – Corporations and Associations~~
9 ~~Section 1–203.1~~
10 ~~Annotated Code of Maryland~~
11 ~~(2014 Replacement Volume and 2016 Supplement)~~

12 BY repealing and reenacting, without amendments,
13 Article – Education
14 Section 18–101(a) through (c)
15 Annotated Code of Maryland
16 (2014 Replacement Volume and 2016 Supplement)

17 BY adding to
18 Article – Education
19 Section 18–3301 through 18–3304 to be under the new subtitle “Subtitle 33.
20 Workforce Development Sequence Scholarships”; and 21–204
21 Annotated Code of Maryland
22 (2014 Replacement Volume and 2016 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article – Labor and Employment
25 Section 11–102(a)
26 Annotated Code of Maryland
27 (2016 Replacement Volume)

28 BY repealing and reenacting, with amendments,
29 Article – Labor and Employment
30 Section 11–103
31 Annotated Code of Maryland
32 (2016 Replacement Volume)

33 BY repealing and reenacting, with amendments,
34 Article – Tax – General
35 Section 10–210.1(a) and (b)(1) and (3)
36 Annotated Code of Maryland
37 (2016 Replacement Volume)

38 BY adding to
39 Article – Tax – General

1 Section 10-741 and ~~11-233~~ 10-742
 2 Annotated Code of Maryland
 3 (2016 Replacement Volume)

4 ~~BY adding to~~
 5 ~~Article Tax Property~~
 6 ~~Section 9-110~~
 7 ~~Annotated Code of Maryland~~
 8 ~~(2012 Replacement Volume and 2016 Supplement)~~

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

11 **Article – Economic Development**

12 1-101.

13 (a) In this division the following words have the meanings indicated.

14 (b) “County” means a county of the State or Baltimore City.

15 ~~(c) (1) “Qualified distressed county” means a county with:~~

16 ~~(i) an average rate of unemployment for the most recent 24-month~~
 17 ~~period for which data are available that exceeds 150% of the average rate of unemployment~~
 18 ~~for the State during that period; or~~

19 ~~(ii) an average per capita personal income for the most recent~~
 20 ~~24-month period for which data are available that is equal to or less than 67% of the~~
 21 ~~average per capita personal income for the State during that period.~~

22 ~~(2) “Qualified distressed county” includes a county that:~~

23 ~~(i) no longer meets either criterion stated in paragraph (1) of this~~
 24 ~~subsection; but~~

25 ~~(ii) has met at least one of the criteria at some time during the~~
 26 ~~preceding 24-month period.~~

27 (f) “Secretary” means the Secretary of Commerce.

28 3-402.

29 There is a Partnership for Workforce Quality Program in the Department.

30 3-411.

1 **(G) THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET FOR EACH**
2 **FISCAL YEAR AN APPROPRIATION OF AT LEAST \$1,000,000 FOR THE PARTNERSHIP**
3 **FOR WORKFORCE QUALITY PROGRAM.**

4 6-101.

5 **(a) In this title the following words have the meanings indicated.**

6 **(e) “Qualified employee” means an employee filling a qualified position.**

7 **SUBTITLE 8. MORE JOBS FOR MARYLANDERS PROGRAM.**

8 **6-801.**

9 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
10 **INDICATED.**

11 **(B) “BENEFIT YEAR” MEANS A TAXABLE YEAR IN WHICH A QUALIFIED**
12 **BUSINESS ENTITY CLAIMS ~~A~~ THE PROGRAM BENEFIT ESTABLISHED UNDER § 6-805**
13 **OF THIS SUBTITLE.**

14 **(C) (1) “BUSINESS ENTITY” MEANS A PERSON CONDUCTING OR**
15 **OPERATING A TRADE OR BUSINESS THAT IS PRIMARILY ENGAGED IN ACTIVITIES**
16 **THAT, IN ACCORDANCE WITH THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION**
17 **SYSTEM (NAICS), UNITED STATES MANUAL, UNITED STATES OFFICE OF**
18 **MANAGEMENT AND BUDGET, 2012 EDITION, WOULD BE INCLUDED IN SECTOR 31,**
19 **32, OR 33.**

20 **(2) “BUSINESS ENTITY” DOES NOT INCLUDE A REFINER, AS DEFINED**
21 **IN § 10-101 OF THE BUSINESS REGULATION ARTICLE.**

22 **(D) “ELIGIBLE PROJECT” MEANS A FACILITY OPERATED BY A BUSINESS**
23 **ENTITY IN ~~A QUALIFIED DISTRESSED COUNTY.~~ ALLEGANY COUNTY, BALTIMORE**
24 **CITY, DORCHESTER COUNTY, GARRETT COUNTY, SOMERSET COUNTY, WICOMICO**
25 **COUNTY, OR WORCESTER COUNTY OR ON A SITE THAT IS AT LEAST 3,000 ACRES AND**
26 **IS NOT LOCATED WITHIN ALLEGANY COUNTY, DORCHESTER COUNTY, GARRETT**
27 **COUNTY, SOMERSET COUNTY, WICOMICO COUNTY, OR WORCESTER COUNTY.**

28 **(E) “EXISTING BUSINESS ENTITY” MEANS A BUSINESS ENTITY THAT IS**
29 **LOCATED IN THE STATE AT THE TIME IT NOTIFIES THE DEPARTMENT UNDER §**
30 **6-803(C) OF THIS SUBTITLE.**

1 (F) "NEW BUSINESS ENTITY" MEANS A BUSINESS ENTITY THAT IS NOT
 2 LOCATED IN THE STATE AT THE TIME IT NOTIFIES THE DEPARTMENT UNDER §
 3 6-803(B) OF THIS SUBTITLE.

4 (G) "PROGRAM" MEANS THE MORE JOBS FOR MARYLANDERS PROGRAM
 5 ESTABLISHED UNDER THIS SUBTITLE.

6 (H) "QUALIFIED BUSINESS ENTITY" MEANS A NEW BUSINESS ENTITY OR AN
 7 EXISTING BUSINESS ENTITY OPERATING AN ELIGIBLE PROJECT UNDER THIS
 8 SUBTITLE.

9 ~~(I) "QUALIFIED INCOME" MEANS A QUALIFIED BUSINESS ENTITY'S INCOME~~
 10 ~~ATTRIBUTABLE TO ACTIVITIES AT AN ELIGIBLE PROJECT.~~

11 ~~(J)~~ (I) (1) "QUALIFIED POSITION" MEANS A POSITION THAT:

12 (I) IS FULL-TIME AND OF INDEFINITE DURATION;

13 (II) PAYS AT LEAST ~~150% OF THE FEDERAL~~ 120% OF THE STATE
 14 MINIMUM WAGE;

15 (III) IS LOCATED IN A FACILITY;

16 (IV) IS NEWLY CREATED AT A SINGLE FACILITY IN THE STATE;

17 AND

18 (V) IS FILLED.

19 (2) "QUALIFIED POSITION" DOES NOT INCLUDE A POSITION THAT IS:

20 (I) CREATED WHEN AN EMPLOYMENT FUNCTION IS SHIFTED
 21 FROM AN EXISTING FACILITY OF A BUSINESS ENTITY IN THE STATE TO ANOTHER
 22 FACILITY OF THE SAME BUSINESS ENTITY IF THE POSITION IS NOT A NET NEW JOB
 23 IN THE STATE;

24 (II) CREATED THROUGH A CHANGE IN OWNERSHIP OF A TRADE
 25 OR BUSINESS;

26 (III) CREATED THROUGH A CONSOLIDATION, MERGER, OR
 27 RESTRUCTURING OF A BUSINESS ENTITY IF THE POSITION IS NOT A NET NEW JOB IN
 28 THE STATE;

29 (IV) CREATED WHEN AN EMPLOYMENT FUNCTION IS
 30 CONTRACTUALLY SHIFTED FROM AN EXISTING BUSINESS ENTITY TO ANOTHER

1 BUSINESS ENTITY IN THE STATE IF THE POSITION IS NOT A NET NEW JOB IN THE
2 STATE; OR

3 (V) FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.

4 6-802.

5 (A) THERE IS A MORE JOBS FOR MARYLANDERS PROGRAM IN THE
6 DEPARTMENT.

7 (B) ~~A BUSINESS ENTITY THAT IS RECEIVING BENEFITS UNDER THE ONE~~
8 ~~MARYLAND TAX CREDIT PROGRAM, THE JOB CREATION TAX CREDIT PROGRAM,~~
9 ~~THE ENTERPRISE ZONE PROGRAM, OR ANY OTHER JOBS BASED TAX BENEFIT~~
10 ~~PROGRAM ADMINISTERED BY THE DEPARTMENT, IS NOT ELIGIBLE TO~~
11 ~~SIMULTANEOUSLY RECEIVE BENEFITS UNDER THE PROGRAM.~~

12 6-803.

13 (A) A BUSINESS ENTITY MAY APPLY TO THE DEPARTMENT TO ENROLL AN
14 ELIGIBLE PROJECT IN THE PROGRAM.

15 (B) (1) A NEW BUSINESS ENTITY MAY NOT BE CERTIFIED AS A QUALIFIED
16 BUSINESS ENTITY UNLESS THE NEW BUSINESS ENTITY:

17 (I) NOTIFIES THE DEPARTMENT OF ITS INTENT TO SEEK
18 DESIGNATION OF AN ELIGIBLE PROJECT BEFORE ESTABLISHING ITS FACILITY IN
19 THE STATE; AND

20 (II) OFFERS AN ONGOING JOB SKILLS ENHANCEMENT TRAINING
21 PROGRAM OR POSTSECONDARY EDUCATION PROGRAM THAT IS APPROVED BY THE
22 DEPARTMENT.

23 (2) THE DEPARTMENT MAY CERTIFY A NEW BUSINESS ENTITY AS A
24 QUALIFIED BUSINESS ENTITY AFTER THE NEW BUSINESS ENTITY PROVIDES THE
25 REQUIRED NOTICE UNDER PARAGRAPH ~~(1)~~ (1)(I) OF THIS SUBSECTION, APPLIES TO
26 THE DEPARTMENT UNDER PARAGRAPH (3) OF THIS SUBSECTION, AND ESTABLISHES
27 AND OPERATES ~~A FACILITY IN A QUALIFIED DISTRESSED COUNTY~~ AN ELIGIBLE
28 PROJECT.

29 (3) A NEW BUSINESS ENTITY SHALL SUBMIT TO THE DEPARTMENT AN
30 APPLICATION CONTAINING AT LEAST THE FOLLOWING INFORMATION:

31 (I) THE ANTICIPATED DATE OF THE ESTABLISHMENT AND
32 INITIAL OPERATION OF THE FACILITY AND THE NATURE OF ITS OPERATIONS;

1 (II) THE EXPECTED LOCATION OF THE FACILITY;

2 (III) ~~THE ESTIMATED NUMBER, PAYROLL, AND TYPE OF~~
3 ~~EMPLOYEES TO BE HIRED AT THE FACILITY;~~ THE ESTIMATED NUMBER OF QUALIFIED
4 POSITIONS TO BE CREATED AND QUALIFIED EMPLOYEES TO BE HIRED AND THE
5 ANTICIPATED PAYROLL OF THE NEW QUALIFIED EMPLOYEES; AND

6 (IV) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.

7 (C) (1) AN EXISTING BUSINESS ENTITY MAY APPLY TO BE CERTIFIED AS A
8 QUALIFIED BUSINESS ENTITY IF THE EXISTING BUSINESS ENTITY INCREASES THE
9 NUMBER OF QUALIFIED POSITIONS AT ~~A FACILITY LOCATED IN A QUALIFIED~~
10 ~~DISTRESSED COUNTY~~ AN ELIGIBLE PROJECT.

11 (2) AN EXISTING BUSINESS ENTITY MAY NOT BE CERTIFIED AS A
12 QUALIFIED BUSINESS ENTITY UNLESS THE BUSINESS ENTITY:

13 (I) NOTIFIES THE DEPARTMENT OF ITS INTENT TO SEEK
14 DESIGNATION OF AN ELIGIBLE PROJECT PRIOR TO HIRING ANY EMPLOYEES TO FILL
15 THE QUALIFIED POSITIONS NECESSARY TO MEET THE REQUIREMENTS OF THIS
16 SUBTITLE; AND

17 (II) OFFERS AN ONGOING JOB SKILLS ENHANCEMENT TRAINING
18 PROGRAM OR POSTSECONDARY EDUCATION PROGRAM THAT IS APPROVED BY THE
19 DEPARTMENT.

20 (3) AN EXISTING BUSINESS ENTITY SHALL SUBMIT AN APPLICATION
21 TO THE DEPARTMENT CONTAINING AT LEAST THE FOLLOWING INFORMATION:

22 (I) THE NUMBER OF FULL-TIME EMPLOYEES EXISTING BEFORE
23 THE EXPANSION AND THE PAYROLL OF THE EXISTING EMPLOYEES;

24 (II) THE ESTIMATED NUMBER OF QUALIFIED POSITIONS TO BE
25 CREATED AND QUALIFIED EMPLOYEES TO BE HIRED AND THE ANTICIPATED
26 PAYROLL OF THE NEW QUALIFIED EMPLOYEES; AND

27 (III) ANY OTHER INFORMATION THAT THE DEPARTMENT
28 REQUIRES.

29 (4) A BUSINESS ENTITY MUST BEGIN HIRING THE EMPLOYEES TO FILL
30 THE QUALIFIED POSITIONS NECESSARY TO MEET THE REQUIREMENTS OF THIS
31 SUBTITLE WITHIN 12 MONTHS AFTER IT NOTIFIES THE DEPARTMENT OF ITS INTENT
32 TO SEEK DESIGNATION OF AN ELIGIBLE PROJECT.

1 6-804.

2 (A) THE PROGRAM ~~BENEFITS~~ BENEFIT AUTHORIZED UNDER THIS SECTION
3 MAY BE CLAIMED BY A QUALIFIED BUSINESS ENTITY FOR UP TO 10 CONSECUTIVE
4 BENEFIT YEARS.

5 (B) SUBJECT TO SUBSECTION ~~(D)~~ (C) OF THIS SECTION, ON ENROLLMENT IN
6 THE PROGRAM, A NEW OR EXISTING BUSINESS ENTITY IS ELIGIBLE FOR:

7 ~~(1)~~ (1) A CREDIT AGAINST THE STATE INCOME TAX, ESTABLISHED UNDER
8 § 10-741(B) OF THE TAX - GENERAL ARTICLE;

9 ~~(2)~~ ~~A CREDIT AGAINST THE STATE PROPERTY TAX, ESTABLISHED~~
10 ~~UNDER § 9-110 OF THE TAX - PROPERTY ARTICLE;~~

11 ~~(3)~~ ~~AN EXEMPTION FROM THE SALES AND USE TAX, ESTABLISHED~~
12 ~~UNDER § 11-233 OF THE TAX - GENERAL ARTICLE; AND~~

13 ~~(4)~~ ~~A WAIVER OF FEES CHARGED BY THE STATE DEPARTMENT OF~~
14 ~~ASSESSMENTS AND TAXATION, ESTABLISHED UNDER § 1-203.1 OF THE~~
15 ~~CORPORATIONS AND ASSOCIATIONS ARTICLE.~~

16 ~~(C)~~ ~~SUBJECT TO SUBSECTION (D) OF THIS SECTION, ON ENROLLMENT IN~~
17 ~~THE PROGRAM, AN EXISTING BUSINESS ENTITY IS ELIGIBLE FOR A CREDIT AGAINST~~
18 ~~THE STATE INCOME TAX, ESTABLISHED UNDER § 10-741(C) OF THE TAX - GENERAL~~
19 ~~ARTICLE.~~

20 ~~(D)~~ (C) IF THE NUMBER OF QUALIFIED POSITIONS AT THE ELIGIBLE
21 PROJECT DECREASES TO A NUMBER EQUAL TO OR LESS THAN THE NUMBER
22 ESTABLISHED IN THE FIRST BENEFIT YEAR, THE PROJECT SHALL BE REMOVED
23 FROM THE PROGRAM AND ~~ALL PROGRAM BENEFITS TERMINATE~~ THE PROGRAM
24 BENEFIT TERMINATES.

25 6-805.

26 (A) THE DEPARTMENT SHALL PROVIDE TO A QUALIFIED BUSINESS ENTITY
27 A CERTIFICATE THAT:

28 (1) CERTIFIES THE ELIGIBLE PROJECT THAT IS ENROLLED IN THE
29 PROGRAM;

30 ~~(2)~~ ~~CERTIFIES THE PROGRAM BENEFITS THE QUALIFIED BUSINESS~~
31 ~~ENTITY MAY CLAIM;~~

1 ~~(3)~~ (2) PROVIDES THE DURATION OF THE CERTIFICATION; AND

2 ~~(4)~~ (3) PROVIDES ANY ADDITIONAL INFORMATION NECESSARY FOR
3 THE COMPTROLLER AND DEPARTMENT TO ADMINISTER THE PROGRAM.

4 (B) THE DEPARTMENT MAY NOT PROVIDE A QUALIFIED BUSINESS ENTITY A
5 CERTIFICATE ON OR AFTER JUNE 1, 2020.

6 **6-806.**

7 (A) THE DEPARTMENT MAY REVOKE ITS CERTIFICATION UNDER THIS
8 SUBTITLE, IN WHOLE OR IN PART, IF ANY REPRESENTATION MADE BY A QUALIFIED
9 BUSINESS ENTITY IS DETERMINED BY THE DEPARTMENT TO HAVE BEEN FALSE
10 WHEN MADE.

11 (B) IF THE DEPARTMENT REVOKES ITS CERTIFICATION AS PROVIDED
12 UNDER SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER MAY MAKE AN
13 ASSESSMENT AGAINST THE QUALIFIED BUSINESS ENTITY TO RECAPTURE ANY
14 AMOUNT OF A TAX CREDIT, ~~AN EXEMPTION, OR ANY OTHER BENEFIT~~ THAT THE
15 QUALIFIED BUSINESS ENTITY HAS RECEIVED.

16 **6-807.**

17 (A) THE DEPARTMENT MAY REQUIRE THAT ANY INFORMATION PROVIDED
18 UNDER THIS SUBTITLE BE VERIFIED BY AN INDEPENDENT CERTIFIED PUBLIC
19 ACCOUNTANT THAT THE QUALIFIED BUSINESS ENTITY AND THE DEPARTMENT
20 SELECT.

21 (B) (1) ACCEPTANCE BY A QUALIFIED BUSINESS ENTITY OF THE
22 PROGRAM ~~BENEFITS~~ BENEFIT UNDER THIS SUBTITLE SHALL BE DEEMED TO
23 AUTHORIZE THE COMPTROLLER TO SHARE WITH THE DEPARTMENT ANY
24 INFORMATION RECEIVED FROM A QUALIFIED BUSINESS ENTITY ABOUT ELIGIBILITY
25 FOR ~~A~~ THE BENEFIT ALLOWED UNDER THIS SUBTITLE.

26 (2) INFORMATION THAT IS RECEIVED BY THE DEPARTMENT OR
27 COMPTROLLER UNDER PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO
28 CONFIDENTIALITY REQUIREMENTS ESTABLISHED BY LAW.

29 **6-808.**

30 THE SECRETARY MAY ~~ESTABLISH~~ ADOPT ANY REGULATION NECESSARY AND
31 APPROPRIATE TO CARRY OUT THIS SUBTITLE.

1 ~~6-809.~~

2 ON OR BEFORE DECEMBER 1 EACH YEAR, THE DEPARTMENT SHALL REPORT
 3 TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE
 4 GOVERNMENT ARTICLE, ON THE QUALIFIED BUSINESS ENTITIES RECEIVING FINAL
 5 CERTIFICATION IN THE PRECEDING FISCAL YEAR.

6 ~~Article – Corporations and Associations~~

7 ~~1-203.1.~~

8 ~~(A) With the exception of the recording fee to be paid when the Department~~
 9 ~~accepts articles of incorporation for record, a volunteer fire company or volunteer rescue~~
 10 ~~squad incorporated in this State is not subject to any of the recording, filing, or special fees~~
 11 ~~enumerated in § 1-203 of this subtitle.~~

12 ~~(B) A QUALIFIED BUSINESS ENTITY THAT IS A NEW BUSINESS ENTITY, AS~~
 13 ~~DEFINED UNDER THE MORE JOBS FOR MARYLANDERS PROGRAM ESTABLISHED~~
 14 ~~UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC DEVELOPMENT ARTICLE, IS NOT~~
 15 ~~SUBJECT TO THE FEES ENUMERATED IN § 1-203 OF THIS SUBTITLE.~~

16 Article – Education

17 18-101.

18 (a) In this title the following words have the meanings indicated.

19 (b) “Commission” means the Maryland Higher Education Commission.

20 (c) “Office” means the Office of Student Financial Assistance.

21 SUBTITLE 33. WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIPS.

22 18-3301.

23 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 24 INDICATED.

25 (B) “ELIGIBLE STUDENT” MEANS A STUDENT WHO:

26 (1) IS A MARYLAND RESIDENT OR HAS GRADUATED FROM A
 27 MARYLAND HIGH SCHOOL; AND

28 (2) IS ENROLLED IN A WORKFORCE DEVELOPMENT SEQUENCE AT A
 29 PUBLIC COMMUNITY COLLEGE IN THE STATE.

1 **(C) (1) "WORKFORCE DEVELOPMENT SEQUENCE" MEANS A PROGRAM**
2 **OFFERED BY A COMMUNITY COLLEGE THAT IS APPROVED BY THE COMMISSION AND**
3 **IS COMPOSED OF COURSES THAT ARE RELATED TO:**

4 **(I) JOB PREPARATION OR AN APPRENTICESHIP;**

5 **(II) LICENSURE OR CERTIFICATION; OR**

6 **(III) JOB SKILL ENHANCEMENT.**

7 **(2) "WORKFORCE DEVELOPMENT SEQUENCE" DOES NOT INCLUDE A**
8 **SEQUENCE OF COURSES LEADING TO AN ASSOCIATE'S OR BACHELOR'S DEGREE.**

9 **(D) "WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP" MEANS AN**
10 **AWARD MADE TO AN ELIGIBLE STUDENT UNDER THIS SUBTITLE.**

11 **18-3302.**

12 **THERE IS A WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP**
13 **ADMINISTERED BY THE OFFICE.**

14 **18-3303.**

15 **(A) AN INDIVIDUAL MAY APPLY TO THE OFFICE FOR A SCHOLARSHIP UNDER**
16 **THIS SECTION IF THE INDIVIDUAL IS AN ELIGIBLE STUDENT.**

17 **(B) AN ELIGIBLE STUDENT WHO RECEIVES A WORKFORCE DEVELOPMENT**
18 **SEQUENCE SCHOLARSHIP UNDER THIS SUBTITLE MAY USE THE AWARD FOR**
19 **TUITION, MANDATORY FEES, AND OTHER ASSOCIATED COSTS OF ATTENDANCE.**

20 **(C) THE ANNUAL AMOUNT OF A SCHOLARSHIP AWARDED TO AN ELIGIBLE**
21 **STUDENT MAY NOT EXCEED \$2,000.**

22 **(D) THE GOVERNOR SHALL PROVIDE IN THE ANNUAL BUDGET AN**
23 **APPROPRIATION OF AT LEAST \$2,000,000 TO THE COMMISSION FOR THE**
24 **WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP.**

25 **18-3304.**

26 **ON OR BEFORE DECEMBER 1 EACH YEAR, THE COMMISSION SHALL REPORT**
27 **TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE**
28 **GOVERNMENT ARTICLE, ON:**

1 **(1) THE NUMBER OF STUDENTS WHO RECEIVED A WORKFORCE**
2 **DEVELOPMENT SEQUENCE SCHOLARSHIP;**

3 **(2) THE AMOUNT OF THE AWARD MADE TO EACH RECIPIENT;**

4 **(3) THE COMMUNITY COLLEGE THAT THE RECIPIENT ATTENDED; AND**

5 **(4) THE WORKFORCE DEVELOPMENT SEQUENCE IN WHICH THE**
6 **RECIPIENT ENROLLED.**

7 **21-204.**

8 **(A) ON OR BEFORE DECEMBER 1, 2017, THE STATE BOARD, IN**
9 **CONSULTATION WITH THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION**
10 **AND THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD, SHALL ESTABLISH,**
11 **FOR EACH YEAR FOR 2018 THROUGH 2024, INCLUSIVE, STATEWIDE GOALS THAT**
12 **REACH ~~THE GOAL IDENTIFIED IN SUBSECTION (C) OF THIS SECTION~~ 45% BY**
13 **JANUARY 1, 2025, FOR THE PERCENTAGES OF HIGH SCHOOL GRADUATES TO**
14 **STUDENTS WHO, PRIOR TO GRADUATION:**

15 **(1) COMPLETE ~~EACH~~ A CAREER AND TECHNICAL EDUCATION (CTE)**
16 **PROGRAM; ~~AND~~**

17 **(2) EARN INDUSTRY-RECOGNIZED OCCUPATIONAL OR SKILL**
18 **CREDENTIALS; OR**

19 **(3) COMPLETE A REGISTERED YOUTH OR OTHER APPRENTICESHIP.**

20 **(B) ON OR BEFORE DECEMBER 1, 2017, THE MARYLAND LONGITUDINAL**
21 **DATA SYSTEM CENTER AND THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD**
22 **SHALL DEVELOP ANNUAL INCOME EARNINGS GOALS FOR HIGH SCHOOL GRADUATES**
23 **WHO HAVE NOT EARNED AT LEAST A 2-YEAR COLLEGE DEGREE BY AGE 25.**

24 **~~(C) IT IS THE GOAL OF THE STATE THAT, ON OR BEFORE JANUARY 1, 2025,~~**
25 **~~AT LEAST 45% OF THE STUDENTS DESCRIBED UNDER SUBSECTION (A) OF THIS~~**
26 **~~SECTION SHALL SUCCESSFULLY COMPLETE A CTE PROGRAM OR EARN INDUSTRY~~**
27 **~~RECOGNIZED OCCUPATIONAL OR SKILL CREDENTIALS BEFORE LEAVING HIGH~~**
28 **~~SCHOOL.~~**

29 **~~(D)~~ ON OR BEFORE DECEMBER 1, 2017, THE STATE BOARD SHALL DEVELOP**
30 **A METHOD TO CONSIDER A STUDENT'S ATTAINMENT OF A STATE-APPROVED**
31 **INDUSTRY CREDENTIAL OR COMPLETION OF AN APPRENTICESHIP PROGRAM AS**
32 **EQUIVALENT TO EARNING A SCORE OF 3 OR BETTER ON AN ADVANCED PLACEMENT**

EXAMINATION FOR PURPOSES OF THE MARYLAND ACCOUNTABILITY PROGRAM
ESTABLISHED BY THE DEPARTMENT IF THE STUDENT:

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

(II) SUCCESSFULLY EARNED THE CREDENTIAL ALIGNED WITH
THE STATE-APPROVED CTE PROGRAM; OR

(2) SUCCESSFULLY COMPLETED A YOUTH OR OTHER
APPRENTICESHIP TRAINING PROGRAM APPROVED BY THE MARYLAND
APPRENTICESHIP TRAINING COUNCIL IN ACCORDANCE WITH § 11-405 OF THE
LABOR AND EMPLOYMENT ARTICLE.

~~(E)~~ (D) ON OR BEFORE DECEMBER 1, 2017, 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 TOWARD 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 federal Workforce Innovation and
Opportunity 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;

~~(7) “QUALIFIED DISTRESSED COUNTY” HAS THE MEANING STATED IN § 1-101(E) OF THE ECONOMIC DEVELOPMENT ARTICLE.~~

~~(8) “QUALIFIED INCOME” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.~~

~~(9)~~ (7) “QUALIFIED POSITION” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

~~(B) AN INDIVIDUAL OR CORPORATION THAT IS A NEW BUSINESS ENTITY AND A QUALIFIED BUSINESS ENTITY MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX APPLICABLE TO ALL QUALIFIED INCOME OF THE ENTITY DURING THE TAXABLE YEAR.~~

~~(C)~~ (B) (1) AN INDIVIDUAL OR CORPORATION THAT IS A NEW OR AN EXISTING BUSINESS ENTITY AND A QUALIFIED BUSINESS ENTITY MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX EQUAL TO THE AMOUNT PROVIDED UNDER PARAGRAPH ~~(3)~~ (2) OF THIS SUBSECTION.

(2) THE AMOUNT OF THE CREDIT AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS EQUAL TO THE PRODUCT OF:

(I) THE STATE EMPLOYER WITHHOLDING AMOUNT, WHICH IS EQUAL TO THE HIGHEST TAX RATE LISTED IN § 10-105(A) OF THIS TITLE; AND

(II) THE TOTAL AMOUNT OF WAGES PAID FOR EACH QUALIFIED POSITION AT AN ELIGIBLE PROJECT.

~~(3) FOR ANY TAXABLE YEAR, THE CREDIT UNDER THIS PARAGRAPH MAY NOT EXCEED THE AMOUNT OF QUALIFIED INCOME OF THE ENTITY.~~

~~(D)~~ (C) (1) THE UNUSED AMOUNT OF A CREDIT AUTHORIZED UNDER THIS SECTION MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(2) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, AN INDIVIDUAL OR A CORPORATION MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

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

Article – Tax – General

10-742.

1 **(A) IN THIS SECTION, “ELIGIBLE APPRENTICE” MEANS AN INDIVIDUAL WHO:**

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

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

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

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

12 **(i) \$1,000 FOR EACH ELIGIBLE APPRENTICE; OR**

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

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

22 **(3) FOR ANY TAXABLE YEAR, THE TOTAL AMOUNT OF CREDITS**
23 **APPROVED BY THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION UNDER**
24 **THIS SECTION MAY NOT EXCEED \$500,000.**

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

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

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

1 **(E) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION SHALL**
 2 **ADOPT REGULATIONS TO:**

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

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

7 ~~11-233.~~

8 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 9 ~~INDICATED.~~

10 ~~(2) "BUSINESS ENTITY" HAS THE MEANING STATED IN § 6-801 OF THE~~
 11 ~~ECONOMIC DEVELOPMENT ARTICLE.~~

12 ~~(3) "ELIGIBLE PROJECT" HAS THE MEANING STATED IN § 6-801 OF~~
 13 ~~THE ECONOMIC DEVELOPMENT ARTICLE.~~

14 ~~(4) "NEW BUSINESS ENTITY" HAS THE MEANING STATED IN § 6-801~~
 15 ~~OF THE ECONOMIC DEVELOPMENT ARTICLE.~~

16 ~~(5) "PROGRAM" MEANS THE MORE JOBS FOR MARYLANDERS~~
 17 ~~PROGRAM ESTABLISHED UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC~~
 18 ~~DEVELOPMENT ARTICLE.~~

19 ~~(6) "QUALIFIED BUSINESS ENTITY" MEANS A NEW BUSINESS ENTITY~~
 20 ~~OPERATING AN ELIGIBLE PROJECT UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC~~
 21 ~~DEVELOPMENT ARTICLE.~~

22 ~~(7) "QUALIFIED PERSONAL PROPERTY OR SERVICES" MEANS~~
 23 ~~PERSONAL PROPERTY OR SERVICES PURCHASED FOR USE AT AN ELIGIBLE PROJECT~~
 24 ~~BY A QUALIFIED BUSINESS ENTITY THAT IS ENROLLED IN THE PROGRAM.~~

25 ~~(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF QUALIFIED~~
 26 ~~PERSONAL PROPERTY OR SERVICES IF:~~

27 ~~(1) THE QUALIFIED PERSONAL PROPERTY OR SERVICES ARE~~
 28 ~~PURCHASED BY THE QUALIFIED BUSINESS ENTITY SOLELY FOR USE AT AN ELIGIBLE~~
 29 ~~PROJECT WHILE THE PROJECT IS ENROLLED IN THE PROGRAM; AND~~

~~(2) THE PROPERTY TAX CREDIT PROVIDED UNDER THIS SECTION IS EQUAL TO 100% OF ALL STATE PROPERTY TAX THAT IS DUE.~~

~~(3) THE PROPERTY TAX CREDIT PROVIDED UNDER THIS SECTION DOES NOT AFFECT THE AMOUNT OF THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THE PROPERTY.~~

~~(c) BY JUNE 15 EACH YEAR, THE DEPARTMENT SHALL SUBMIT TO THE DEPARTMENT OF COMMERCE A LIST THAT INCLUDES:~~

~~(1) THE LOCATION OF EACH QUALIFIED PROPERTY;~~

~~(2) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED PROPERTY; AND~~

~~(3) THE AMOUNT OF THE STATE PROPERTY TAX ASSESSED AGAINST EACH QUALIFIED PROPERTY.~~

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

10-210.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Depreciation" includes any deduction allowed under § 179 of the Internal Revenue Code.

(3) "Heavy duty SUV" means a 4-wheeled vehicle that:

(i) is manufactured primarily for use on public streets, roads, and highways;

(ii) is rated at more than 6,000 but not more than 14,000 pounds gross vehicle weight; and

(iii) would be a passenger automobile as defined in § 280F of the Internal Revenue Code if it were rated at 6,000 pounds gross vehicle weight or less.

(4) (I) "MANUFACTURING ENTITY" MEANS A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS THAT IS PRIMARILY ENGAGED IN ACTIVITIES THAT, IN ACCORDANCE WITH THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS), UNITED STATES MANUAL, UNITED STATES

1 **OFFICE OF MANAGEMENT AND BUDGET, 2012 EDITION, WOULD BE INCLUDED IN**
2 **SECTOR 31, 32, OR 33.**

3 **(II) “MANUFACTURING ENTITY” DOES NOT INCLUDE A**
4 **REFINER, AS DEFINED IN § 10–101 OF THE BUSINESS REGULATION ARTICLE.**

5 (b) In addition to the modifications under §§ 10–204 through 10–210 of this
6 subtitle, to determine Maryland adjusted gross income of an individual:

7 (1) **(I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM,** an amount
8 is added to or subtracted from federal adjusted gross income to reflect the determination of
9 the depreciation deduction provided under § 167(a) of the Internal Revenue Code and the
10 adjusted basis of property without regard to the additional allowance under § 168(k) of the
11 Internal Revenue Code; **AND**

12 **(II) ITEM (I) OF THIS ITEM DOES NOT APPLY TO PROPERTY**
13 **PLACED IN SERVICE BY A MANUFACTURING ENTITY ON OR AFTER JANUARY 1, 2019;**

14 (3) **(I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM,** an amount
15 is added to or subtracted from federal adjusted gross income to reflect the determination of
16 the maximum aggregate costs that the taxpayer may treat as an expense under § 179 of
17 the Internal Revenue Code for any taxable year without regard to any changes made to
18 that section after December 31, 2002:

19 [(i)] **1.** increasing above \$25,000 the dollar limitation set forth in
20 § 179(b)(1) of the Internal Revenue Code; or

21 [(ii)] **2.** increasing above \$200,000 the phase-out threshold set
22 forth in § 179(b)(2) of the Internal Revenue Code; **AND**

23 **(II) ITEM (I) OF THIS ITEM DOES NOT APPLY TO PROPERTY THAT**
24 **IS PLACED IN SERVICE BY A MANUFACTURING ENTITY ON OR AFTER JANUARY 1,**
25 **2019;**

26 SECTION 4. AND BE IT FURTHER ENACTED, That the State Department of
27 Education, the Department of Labor, Licensing, and Regulation, and the Maryland
28 Longitudinal Data System Center jointly shall determine ways to expand and analyze
29 available data, including participation in career and technology education courses, relating
30 to individuals who participate in registered apprenticeship training programs. On or before
31 September 1, 2017, the State Department of Education and the Department of Labor,
32 Licensing, and Regulation jointly shall report to the General Assembly, in accordance with
33 § 2–1246 of the State Government Article, regarding the results of the discussions and
34 determinations made under this section.

35 SECTION 5. AND BE IT FURTHER ENACTED, That the Department of Labor,
36 Licensing, and Regulation shall explore ways to combine the Youth Apprenticeship Pilot

1 Program with the Apprenticeship and Training Program. On or before December 1, 2018,
2 the Department shall report to the General Assembly, in accordance with § 2-1246 of the
3 State Government Article, regarding its findings and recommendations in this regard.

4 SECTION 6. AND BE IT FURTHER ENACTED, That:

5 (a) The General Assembly finds that the widespread adoption of tax subsidies
6 intended to move jobs from one state to another reduces revenues in all participating states
7 without increasing the total number and quality of jobs. Therefore, the Governor should
8 work with the chief executive officers of Delaware, the District of Columbia, North Carolina,
9 Pennsylvania, Virginia, and West Virginia to negotiate an agreement among all of these
10 states by July 1, 2018, for the repeal of any law in each state that provides a tax subsidy,
11 including any tax credit, deduction, exemption, or other modification, that is intended to
12 create new jobs or entice new jobs to the state. The agreement shall specify the laws of each
13 state that allow for such a tax subsidy and shall provide that each state will adopt
14 legislation to repeal those laws, contingent on the enactment of the corresponding
15 legislation by each of the other states. In connection with the agreement, the executives
16 shall propose approaches for ensuring continuing compliance with the terms of the
17 agreement. On or before September 15, 2018, the Governor shall report to the Senate
18 Budget and Taxation Committee and the House Committee on Ways and Means, in
19 accordance with § 2-1246 of the State Government Article, on the status of reaching an
20 agreement.

21 (b) If the agreement under subsection (a) of this section is not reached by
22 September 15, 2018, the Governor shall include in the report alternatives to encourage
23 agreement among the respective states, including but not limited to, increasing the amount
24 of the job creation tax credit.

25 SECTION ~~4~~ 7. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
26 be applicable to all taxable years beginning after December 31, 2016.

27 SECTION ~~5~~ 8. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
28 take effect July 1, 2017, and shall be applicable to all taxable years beginning after ~~June~~
29 ~~30, 2017~~ December 31, 2016, but before January 1, 2020. It shall remain effective for a
30 period of 3 years and, at the end of June 30, 2020, with no further action required by the
31 General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

32 SECTION ~~6~~ 9. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
33 be applicable to all taxable years beginning after December 31, 2018.

34 SECTION ~~7~~ 10. AND BE IT FURTHER ENACTED, That, except as provided in
35 Section 8 of this Act, this Act shall take effect June 1, 2017.