

SENATE BILL 335

K3, Q3

7lr2280
CF HB 652

By: ~~Senator Rosapepe~~ Senators Rosapepe, Middleton, Astle, Benson, Feldman, Hershey, Jennings, Klausmeier, Mathias, Oaks, and Reilly

Introduced and read first time: January 25, 2017

Assigned to: Finance and Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 26, 2017

CHAPTER _____

1 AN ACT concerning

2 **Career Apprenticeship Opportunity Act of 2017**

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 toward 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; requiring the Department of Labor,~~
20 ~~Licensing, and Regulation, on application of a taxpayer, to issue a tax credit~~
21 ~~certificate under certain circumstances; requiring the application to contain certain~~
22 ~~information; requiring the Department to approve applications on a first come,~~
23 ~~first served basis and notify applicants of approval or denial of an application within~~
24 ~~a certain number of days of receipt of the application; providing that the total amount~~

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.



~~of tax credit certificates issued by the Department may not exceed a certain amount for each taxable year; requiring the Department to report certain information to the Comptroller on or before a certain date each year; requiring the Department to adopt certain regulations; providing for the application of certain provisions of this Act; providing for the termination of certain provisions of this Act; defining certain terms; and generally relating to career and technical education programs and certain apprenticeships in the State.~~

~~BY adding to~~

~~Article — Education~~

~~Section 21—204~~

~~Annotated Code of Maryland~~

~~(2014 Replacement Volume and 2016 Supplement)~~

~~BY repealing and reenacting, without amendments,~~

~~Article — Labor and Employment~~

~~Section 11—102(a)~~

~~Annotated Code of Maryland~~

~~(2016 Replacement Volume)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — Labor and Employment~~

~~Section 11—103~~

~~Annotated Code of Maryland~~

~~(2016 Replacement Volume)~~

~~BY adding to~~

~~Article — Tax — General~~

~~Section 10—741~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2016 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, 2017, THE STATE BOARD, IN CONSULTATION WITH THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION AND THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD, SHALL ESTABLISH, FOR EACH YEAR FOR 2017 THROUGH 2025, INCLUSIVE, STATEWIDE GOALS TO REACH THE GOAL IDENTIFIED IN SUBSECTION (C) OF THIS SECTION BY JANUARY 1, 2026, FOR THE PERCENTAGES OF HIGH SCHOOL GRADUATES TO:~~

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

3 ~~(2) EARN INDUSTRY RECOGNIZED OCCUPATIONAL OR SKILL~~
4 ~~CREDENTIALS.~~

5 ~~(b) ON OR BEFORE DECEMBER 1, 2017, THE DEPARTMENT OF LABOR,~~
6 ~~LICENSING, AND REGULATION AND THE GOVERNOR'S WORKFORCE DEVELOPMENT~~
7 ~~BOARD SHALL DEVELOP ANNUAL INCOME EARNINGS GOALS FOR HIGH SCHOOL~~
8 ~~GRADUATES WHO HAVE NOT EARNED AT LEAST A 2-YEAR COLLEGE DEGREE BY AGE~~
9 ~~25.~~

10 ~~(c) IT IS THE GOAL OF THE STATE THAT, ON OR BEFORE JANUARY 1, 2026,~~
11 ~~AT LEAST 45% OF THE STUDENTS DESCRIBED UNDER SUBSECTION (A) OF THIS~~
12 ~~SECTION SHALL SUCCESSFULLY COMPLETE A CAREER AND TECHNICAL EDUCATION~~
13 ~~PROGRAM OR EARN INDUSTRY RECOGNIZED OCCUPATIONAL OR SKILL~~
14 ~~CREDENTIALS BEFORE LEAVING HIGH SCHOOL.~~

15 ~~(d) ON OR BEFORE DECEMBER 1, 2017, THE STATE BOARD SHALL DEVELOP~~
16 ~~A METHOD TO CONSIDER A STUDENT'S ATTAINMENT OF A STATE APPROVED~~
17 ~~INDUSTRY CREDENTIAL OR COMPLETION OF AN APPRENTICESHIP PROGRAM AS~~
18 ~~EQUIVALENT TO EARNING A SCORE OF 3 OR BETTER ON AN ADVANCED PLACEMENT~~
19 ~~EXAMINATION FOR PURPOSES OF THE SCHOOL PERFORMANCE INDEX~~
20 ~~ESTABLISHED BY THE DEPARTMENT, IF THE STUDENT:~~

21 ~~(1) (i) WAS ENROLLED IN THE STATE APPROVED CTE PROGRAM~~
22 ~~OF STUDY AT THE CONCENTRATOR LEVEL OR HIGHER; AND~~

23 ~~(ii) SUCCESSFULLY EARNED THE CREDENTIAL ALIGNED WITH~~
24 ~~THE STATE APPROVED CTE PROGRAM OF STUDY; OR~~

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

28 ~~(e) ON OR BEFORE DECEMBER 1, 2017, AND DECEMBER 1 OF EACH YEAR~~
29 ~~THEREAFTER, THE STATE BOARD SHALL REPORT TO THE GOVERNOR AND, IN~~
30 ~~ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL~~
31 ~~ASSEMBLY ON THE PROGRESS TOWARD ATTAINING THE GOALS ESTABLISHED BY~~
32 ~~THE STATE BOARD IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION AND~~
33 ~~THE GOALS ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.~~

1 ~~11-102.~~

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

4 ~~11-103.~~

5 ~~(a) The Division shall:~~

6 ~~(1) promote apprenticeship and training programs;~~

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

8 ~~(3) implement the provisions of the federal Workforce Innovation and~~
9 ~~Opportunity Act;~~

10 ~~(4) administer adult education and literacy services programs;~~

11 ~~(5) conduct educational and job skills training programs in adult~~
12 ~~correctional facilities;~~

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

15 ~~(7) administer those programs assigned to the Division by law or~~
16 ~~designated by the Secretary; and~~

17 ~~(8) administer any community service employment programs delegated to~~
18 ~~the State under Title V of the federal Older Americans Act of 1965.~~

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

24 ~~(c) THE DIVISION SHALL PARTNER WITH STATE DEPARTMENTS TO~~
25 ~~IDENTIFY, BEFORE JANUARY 1, 2018, OPPORTUNITIES TO CREATE REGISTERED~~
26 ~~APPRENTICESHIP PROGRAMS TO HELP ADDRESS THE WORKFORCE NEEDS OF THOSE~~
27 ~~DEPARTMENTS.~~

28 ~~(d) THE DIVISION SHALL IDENTIFY OPPORTUNITIES TO CREATE~~
29 ~~REGISTERED APPRENTICESHIP PROGRAMS, INCLUDING GOALS FOR THE NUMBER~~
30 ~~OF APPRENTICESHIPS REGISTERED EACH YEAR, TO HELP ADDRESS THE~~
31 ~~WORKFORCE NEEDS OF THE STATE.~~

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

3 ~~Article Tax General~~

4 ~~10-741.~~

5 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
6 ~~INDICATED.~~

7 ~~(2) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR,~~
8 ~~LICENSING, AND REGULATION.~~

9 ~~(3) "ELIGIBLE APPRENTICE" MEANS AN INDIVIDUAL WHO:~~

10 ~~(I) IS ENROLLED IN AN APPRENTICESHIP PROGRAM~~
11 ~~REGISTERED WITH THE MARYLAND APPRENTICESHIP AND TRAINING COUNCIL IN~~
12 ~~ACCORDANCE WITH § 11-405 OF THE LABOR AND EMPLOYMENT ARTICLE; AND~~

13 ~~(II) HAS BEEN EMPLOYED BY THE TAXPAYER FOR AT LEAST 7~~
14 ~~FULL MONTHS OF THE TAXABLE YEAR.~~

15 ~~(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER~~
16 ~~MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT STATED ON~~
17 ~~THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C) OF THIS SECTION~~
18 ~~FOR THE FIRST YEAR OF EMPLOYMENT OF AN ELIGIBLE APPRENTICE.~~

19 ~~(2) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS~~
20 ~~SECTION MAY NOT EXCEED THE LESSER OF:~~

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

22 ~~(II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR~~
23 ~~CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED UNDER THIS~~
24 ~~SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE BUT AFTER THE~~
25 ~~APPLICATION OF ANY OTHER CREDIT ALLOWED UNDER THIS SUBTITLE.~~

26 ~~(3) IF THE CREDIT OTHERWISE ALLOWABLE UNDER THIS SECTION~~
27 ~~EXCEEDS THE LIMIT UNDER PARAGRAPH (2) OF THIS SUBSECTION, AN INDIVIDUAL~~
28 ~~MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR~~
29 ~~SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE EXCESS IS USED.~~

30 ~~(C) (1) ON APPLICATION BY A TAXPAYER, THE DEPARTMENT SHALL~~
31 ~~ISSUE A CREDIT CERTIFICATE IN THE AMOUNT OF \$1,000 FOR EACH ELIGIBLE~~
32 ~~APPRENTICE EMPLOYED BY THE TAXPAYER DURING THE TAXABLE YEAR.~~

~~(2) THE APPLICATION SHALL CONTAIN:~~

~~(I) THE NAME OF THE TAXPAYER;~~

~~(II) INFORMATION IDENTIFYING EACH ELIGIBLE APPRENTICE EMPLOYED BY THE TAXPAYER;~~

~~(III) PROOF OF THE ENROLLMENT OF EACH ELIGIBLE APPRENTICE IN A REGISTERED APPRENTICESHIP PROGRAM;~~

~~(IV) PROOF OF THE DURATION OF EACH ELIGIBLE APPRENTICE'S EMPLOYMENT BY THE TAXPAYER; AND~~

~~(V) ANY OTHER INFORMATION THAT THE DEPARTMENT REQUIRES.~~

~~(3) THE DEPARTMENT SHALL:~~

~~(I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX CREDIT CERTIFICATE UNDER THIS SUBSECTION ON A FIRST COME, FIRST SERVED BASIS; AND~~

~~(II) NOTIFY A TAXPAYER WITHIN 45 DAYS OF RECEIPT OF THE TAXPAYER'S APPLICATION OF THE DEPARTMENT'S APPROVAL OR DENIAL.~~

~~(4) FOR EACH TAXABLE YEAR, THE TOTAL AMOUNT OF CREDIT CERTIFICATES THAT MAY BE ISSUED BY THE DEPARTMENT UNDER THIS SECTION MAY NOT EXCEED \$500,000.~~

~~(D) ON OR BEFORE JANUARY 31 OF EACH TAXABLE YEAR, THE DEPARTMENT SHALL REPORT TO THE COMPTROLLER ON THE TAX CREDIT CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR.~~

~~(E) THE DEPARTMENT 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 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016, but before January 1, 2020. It shall remain effective for a period of 3 years and,~~

~~at the end of June 30, 2020, with no further action required by the General Assembly,
Section 2 of this Act shall be abrogated and of no further force and effect.~~

~~SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
3 of this Act, this Act shall take effect June 1, 2017.~~

FOR the purpose of requiring the State Board of Education to develop, on or before a certain
date and in consultation with the Department of Labor, Licensing, and Regulation
and Governor's Workforce Development Board, certain goals for percentages of
certain students for completing certain career and technical education programs and
earning certain credentials; requiring the Maryland Longitudinal Data System
Center and the Board to develop certain income earnings goals; 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 or completion of a certain apprenticeship program 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 toward attaining certain goals; requiring the
Division of Workforce Development and Adult Learning in the Department to
partner with certain State departments to identify, by a certain date, opportunities
to create certain registered apprenticeship programs for a certain purpose; requiring
the Division to identify opportunities to create certain registered apprenticeship
programs to address the workforce needs of the State; 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; limiting the
amount of certain credits approved by the State Comptroller in a taxable year;
requiring a taxpayer claiming the credit to attach certain proof to the taxpayer's
return; requiring the State Comptroller to adopt certain regulations; requiring
certain institutions of postsecondary education to apply to participate in a certain
program; requiring the Commission to provide assistance and support to certain
institutions that apply to participate in a certain program; stating the intent of the
General Assembly; providing for the application of this Act; providing for the
termination of certain provisions of this Act; providing for the effective dates of this
Act; defining certain terms; and generally relating to career and technical education
programs and certain apprenticeships in the State.

BY adding to

Article – Education

Section 21–204

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Labor and Employment

Section 11–102(a)

Annotated Code of Maryland

1 (2016 Replacement Volume)

2 BY repealing and reenacting, with amendments,

3 Article – Labor and Employment

4 Section 11–103

5 Annotated Code of Maryland

6 (2016 Replacement Volume)

7 BY adding to

8 Article – Tax – General

9 Section 10–741

10 Annotated Code of Maryland

11 (2016 Replacement Volume)

12 Preamble

13 WHEREAS, Maryland employers are challenged by shortages of skilled workers in
 14 occupations such as information technology, health care, manufacturing, and skilled
 15 trades; and

16 WHEREAS, Many Maryland young people face challenges learning skills that will
 17 earn them middle class incomes without taking on excessive college debt; and

18 WHEREAS, Apprenticeships, which allow young people to earn while they learn, are
 19 pathways proven in Maryland, as well as elsewhere in America and the world, to improve
 20 competitiveness of workers, employers, and regions; and

21 WHEREAS, The federal and state governments are committed to expanding access
 22 to apprenticeship programs in traditional occupations such as skilled trades and
 23 nontraditional occupations such as information technology, health care, logistics,
 24 education, retail, hospitality, and financial services; now, therefore,

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, 2017, THE STATE BOARD, IN
 30 CONSULTATION WITH THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION
 31 AND THE GOVERNOR’S WORKFORCE DEVELOPMENT BOARD, SHALL ESTABLISH,
 32 FOR EACH YEAR FOR 2018 THROUGH 2024, INCLUSIVE, STATEWIDE GOALS THAT
 33 REACH 45% BY JANUARY 1, 2025, FOR THE PERCENTAGES OF HIGH SCHOOL
 34 STUDENTS WHO, PRIOR TO GRADUATION:

1 **(1) COMPLETE A CAREER AND TECHNICAL EDUCATION (CTE)**
2 **PROGRAM;**

3 **(2) EARN INDUSTRY-RECOGNIZED OCCUPATIONAL OR SKILL**
4 **CREDENTIALS; AND**

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

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

10 **(C) ON OR BEFORE DECEMBER 1, 2017, THE STATE BOARD SHALL DEVELOP**
11 **A METHOD TO CONSIDER A STUDENT'S ATTAINMENT OF A STATE-APPROVED**
12 **INDUSTRY CREDENTIAL OR COMPLETION OF AN APPRENTICESHIP PROGRAM AS**
13 **EQUIVALENT TO EARNING A SCORE OF 3 OR BETTER ON AN ADVANCED PLACEMENT**
14 **EXAMINATION FOR PURPOSES OF THE MARYLAND ACCOUNTABILITY PROGRAM**
15 **ESTABLISHED BY THE DEPARTMENT IF THE STUDENT:**

16 **(1) (i) WAS ENROLLED IN THE STATE-APPROVED CTE PROGRAM**
17 **AT THE CONCENTRATOR LEVEL OR HIGHER; AND**

18 **(ii) SUCCESSFULLY EARNED THE CREDENTIAL ALIGNED WITH**
19 **THE STATE-APPROVED CTE PROGRAM; OR**

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

24 **(D) ON OR BEFORE DECEMBER 1, 2017, AND DECEMBER 1 OF EACH YEAR**
25 **THEREAFTER, THE STATE BOARD SHALL REPORT TO THE GOVERNOR AND, IN**
26 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL**
27 **ASSEMBLY ON THE PROGRESS TOWARD ATTAINING THE GOALS ESTABLISHED BY**
28 **THE STATE BOARD IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION AND**
29 **THE GOALS ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.**

30 **Article – Labor and Employment**

31 **11-102.**

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

1 11-103.

2 (a) The Division shall:

3 (1) promote apprenticeship and training programs;

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

5 (3) implement the provisions of the federal Workforce Innovation and
6 Opportunity Act;

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

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

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

12 (7) administer those programs assigned to the Division by law or
13 designated by the Secretary; and

14 (8) administer any community service employment programs delegated to
15 the State under Title V of the federal Older Americans Act of 1965.

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

21 (C) **THE DIVISION SHALL PARTNER WITH STATE DEPARTMENTS AND THEIR**
22 **EXCLUSIVE REPRESENTATIVES TO IDENTIFY, BEFORE JANUARY 1, 2018,**
23 **OPPORTUNITIES TO CREATE REGISTERED APPRENTICESHIP PROGRAMS TO HELP**
24 **ADDRESS THE CAREER WORKFORCE NEEDS OF THOSE DEPARTMENTS.**

25 (D) **IN ACCORDANCE WITH THE IDENTIFICATION OF APPRENTICESHIP**
26 **PROGRAMS UNDER SUBSECTION (C) OF THIS SECTION, THE DIVISION SHALL**
27 **IDENTIFY OPPORTUNITIES TO CREATE REGISTERED APPRENTICESHIP PROGRAMS,**
28 **INCLUDING GOALS FOR THE NUMBER OF APPRENTICESHIPS REGISTERED EACH**
29 **YEAR, TO HELP ADDRESS THE CAREER WORKFORCE NEEDS OF THE STATE.**

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

32 **Article – Tax – General**

1 10-741.

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

3 (1) IS ENROLLED IN AN APPRENTICESHIP TRAINING PROGRAM
4 REGISTERED WITH THE MARYLAND APPRENTICESHIP AND TRAINING COUNCIL IN
5 ACCORDANCE 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 STATE 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 STATE 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 3. AND BE IT FURTHER ENACTED, That the State Department of
9 Education, the Department of Labor, Licensing, and Regulation, and the Maryland
10 Longitudinal Data System Center jointly shall determine ways to expand and analyze
11 available data, including participation in career and technology education courses, relating
12 to individuals who participate in registered apprenticeship training programs. On or before
13 September 1, 2017, the State Department of Education and the Department of Labor,
14 Licensing, and Regulation jointly shall report to the General Assembly, in accordance with
15 § 2-1246 of the State Government Article, regarding the results of the discussions and
16 determinations made under this section.

17 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of Labor,
18 Licensing, and Regulation shall explore ways to combine the Youth Apprenticeship Pilot
19 Program with the Apprenticeship and Training Program. On or before December 1, 2018,
20 the Department shall report to the General Assembly, in accordance with § 2-1246 of the
21 State Government Article, regarding its findings and recommendations in this regard.

22 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
23 effect July 1, 2017, and shall be applicable to all taxable years beginning after December
24 31, 2016. It shall remain effective for a period of 3 years and, at the end of June 30, 2020,
25 with no further action required by the General Assembly, Section 2 of this Act shall be
26 abrogated and of no further force and effect.

27 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section
28 5 of this Act, this Act shall take effect June 1, 2017.