

# SENATE BILL 668

Q4

9lr2838

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By: **Senator Guzzone**

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Vendor Collection Credit – Job Training Organizations**

3 FOR the purpose of increasing, for certain qualified job training organizations, the credit  
4 allowed for the expense of collecting and paying the sales and use tax; prohibiting,  
5 under certain circumstances, certain qualified job training organizations from  
6 claiming certain vendor collection credits; providing for the certification of qualified  
7 job training organizations by the Secretary of Labor, Licensing, and Regulation;  
8 authorizing a vendor to submit to the Secretary an application to be certified as a  
9 qualified job training organization; requiring the Secretary to review the application  
10 and make a certain determination within a certain number of days; requiring the  
11 Secretary to provide notice of certain determinations; requiring, on or before a  
12 certain date each year, a vendor who claims a certain credit to submit a certain  
13 report; requiring the Comptroller to adopt certain regulations; defining certain  
14 terms; and generally relating to the sales and use tax vendor collection credit.

15 BY repealing and reenacting, with amendments,  
16 Article – Tax – General  
17 Section 11–105  
18 Annotated Code of Maryland  
19 (2016 Replacement Volume and 2018 Supplement)

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

### Article – Tax – General

22 11–105.

24 (a) (1) Except as provided in subsections (b) [and], (c), AND (D) of this section,  
25 a vendor who timely files a sales and use tax return is allowed, for the expense of collecting

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 and paying the tax, a credit equal to 0.9% of the gross amount of sales and use tax that the  
2 vendor is to pay to the Comptroller.

3 (2) The credit allowed under this section does not apply to any sales and  
4 use tax that a vendor is required to pay to the Comptroller for any purchase or use that the  
5 vendor makes that is subject to the tax.

6 (b) (1) Subject to paragraph (2) of this subsection, the credit allowed under this  
7 section is 1.2% of the first \$6,000 of the gross amount of sales and use tax that the vendor  
8 is to pay with each return.

9 (2) For a vendor who files or is eligible to file a consolidated return under  
10 § 11-502 of this title, the credit allowed under paragraph (1) of this subsection is 1.2% of  
11 the first \$6,000 of the gross amount of sales and use tax that the vendor is or would be  
12 required to pay with the consolidated return.

13 (c) (1) The credit allowed under subsection (a) of this section may not exceed  
14 \$500 for each return.

15 (2) For a vendor who files or is eligible to file a consolidated return under  
16 § 11-502 of this title, the total maximum credit that the vendor is allowed under this section  
17 for all returns filed for any period is \$500.

18 (D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE  
19 MEANINGS INDICATED.

20 (II) "QUALIFIED JOB TRAINING ORGANIZATION" MEANS AN  
21 ORGANIZATION THAT:

22 1. IS LOCATED IN THE STATE;

23 2. IS EXEMPT FROM TAXATION UNDER SECTION  
24 501(C)(3) OF THE INTERNAL REVENUE CODE;

25 3. CONDUCTS RETAIL SALES OF DONATED ITEMS;

26 4. PROVIDES JOB TRAINING AND EMPLOYMENT  
27 SERVICES TO INDIVIDUALS WITH WORKPLACE DISADVANTAGES OR DISABILITIES;  
28 AND

29 5. USES A MAJORITY OF ITS REVENUE FOR JOB  
30 TRAINING AND JOB PLACEMENT PROGRAMS:

31 A. THAT ASSIST INDIVIDUALS WITH GROWTH IN  
32 EMPLOYMENT HOURS;

1                   **B. FOR INDIVIDUALS WITH LOW-INCOME, WORKPLACE**  
2 **DISADVANTAGES, DISABILITIES, OR BARRIERS TO EMPLOYMENT; OR**

3                   **C. FOR VETERANS.**

4                   **(III) "SECRETARY" MEANS THE SECRETARY OF LABOR,**  
5 **LICENSING, AND REGULATION.**

6                   **(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A**  
7 **VENDOR WHO IS A QUALIFIED JOB TRAINING ORGANIZATION CERTIFIED UNDER**  
8 **PARAGRAPH (3) OF THIS SUBSECTION AND TIMELY FILES A SALES AND USE TAX**  
9 **RETURN IS ALLOWED A CREDIT EQUAL TO 100% OF THE GROSS AMOUNT OF SALES**  
10 **AND USE TAX THAT THE VENDOR IS TO PAY TO THE COMPTROLLER.**

11                   **(II) A VENDOR THAT CLAIMS A CREDIT UNDER SUBPARAGRAPH**  
12 **(I) OF THIS PARAGRAPH MAY NOT CLAIM A CREDIT UNDER SUBSECTIONS (A)**  
13 **THROUGH (C) OF THIS SECTION.**

14                   **(3) (I) A VENDOR MAY APPLY TO THE SECRETARY TO BE**  
15 **CERTIFIED AS A QUALIFIED JOB TRAINING ORGANIZATION.**

16                   **(II) WITHIN 30 DAYS OF RECEIVING THE APPLICATION, THE**  
17 **SECRETARY SHALL REVIEW THE APPLICATION AND IF THE VENDOR:**

18                   **1. IS DETERMINED TO BE A QUALIFIED JOB TRAINING**  
19 **ORGANIZATION, CERTIFY THE VENDOR AS A QUALIFIED JOB TRAINING**  
20 **ORGANIZATION AND NOTIFY THE VENDOR AND THE COMPTROLLER; OR**

21                   **2. IS DETERMINED NOT TO BE A QUALIFIED JOB**  
22 **TRAINING ORGANIZATION, NOTIFY THE VENDOR.**

23                   **(4) ON OR BEFORE JANUARY 31 EACH YEAR, A VENDOR WHO CLAIMS**  
24 **A CREDIT UNDER THIS SUBSECTION SHALL SUBMIT TO THE SECRETARY A REPORT**  
25 **THAT INCLUDES, FOR THE PREVIOUS CALENDAR YEAR:**

26                   **(I) THE AMOUNT OF CREDITS CLAIMED;**

27                   **(II) THE AMOUNT SPENT BY THE VENDOR ON JOB TRAINING AND**  
28 **EMPLOYMENT SERVICES; AND**

29                   **(III) THE NUMBER OF INDIVIDUALS RECEIVING JOB TRAINING**  
30 **AND EMPLOYMENT SERVICES.**

1                   **(5) THE COMPTROLLER SHALL ADOPT REGULATIONS TO IMPLEMENT**  
2 **THIS SUBSECTION.**

3                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
4 1, 2019.