

SB0496/295660/1

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL 496
(Third Reading File Bill – Second Printing)

AMENDMENT NO. 1

On page 1, strike beginning with “beginning” in line 6 down through “year” in line 7 and substitute “for certain taxable years”; in line 14, after “payments;” insert “altering, for certain taxable years, the percentage of the federal earned income tax credit used for determining the amount that an individual may claim as a refund under the Maryland earned income tax credit under certain circumstances; altering, for certain taxable years, the calculation of the Maryland earned income tax credit to increase the amount of credit that certain individuals without qualifying children may claim; allowing certain individuals to claim a refund of the credit; clarifying certain provisions of law concerning the State income tax imposed on certain pass-through entities; authorizing a pass-through entity to elect to pay the tax imposed with respect to certain shares of all members of the pass-through entity, rather than only resident members; allowing each member to claim a credit against the income tax for the member’s proportionate share of the tax paid by the pass-through entity; requiring certain taxpayers to add the amount of the credit back to federal adjusted gross income to determine Maryland adjusted gross income;”; in the same line, strike “rating year” and substitute “contribution date”; in line 16, after “law;” insert “authorizing the Secretary of Labor to use a certain computation date for purposes of determining an earned rate of contribution under certain circumstances; authorizing, for purposes of unemployment insurance law, certain nonprofit organizations, governmental entities, and employing units to elect to delay submitting certain reimbursement payments or certain contributions and employment reports for certain calendar quarters under certain circumstances; authorizing the Secretary to authorize a certain nonprofit organization, governmental entity, or employing unit to defer submitting a certain reimbursement payment or a certain contribution and employment report for certain calendar quarters under certain circumstances; prohibiting a nonprofit organization, a governmental entity, or an employing unit that defers the submission of a

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reimbursement payment or a contribution and employment report in accordance with this Act from being required by the Secretary to file for an extension or be assessed certain interest under certain circumstances;”; and in line 20, strike “certain taxable years;” and substitute “a certain taxable year; requiring the Comptroller to conduct, in a certain manner, a certain earned income tax credit eligibility awareness campaign; authorizing the disclosure of certain tax information for certain purposes of this Act; providing that, except under certain circumstances, certain economic impact payments are not subject to garnishment or certain liens or rights of setoff;”.

On page 2, in line 16, after “Assembly;” insert “authorizing the Governor to transfer certain funds to a certain program and requiring those funds to be used as grants to certain utilities to eliminate certain arrearages in a certain manner; authorizing the Comptroller to distribute certain grants to certain counties under certain circumstances;”; in line 18, after “terms;” insert “making conforming changes;”; in the same line, after “the” insert “application, construction, and”; in line 33, strike “8-606(a) and 8-610(a)” and substitute “8-601(a), (b), and (d), 8-606(a), 8-610(a), and 8-620(c)”; in line 38, strike “8-606(e)” and substitute “8-606(d), 8-610(c), 8-620(a), 8-626, and 8-628”; and after line 40, insert:

“BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-102.1, 10-306(b), 10-307(g)(4) and (5), 10-701.1, and 10-704

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)”.

On page 3, in line 1, strike “10-207(a), 10-307(a), and 11-105” and substitute “10-205(a), 10-207(a), 10-208(a), 10-306(a), 10-307(a), and 11-105”; in line 6, strike “10-207(jj) through (ll) and 10-307(g)(6)” and substitute “10-205(m), 10-207(jj) and (kk), 10-208(y), and 10-307(g)(6)”; and strike in their entirety lines 9 through 13, inclusive.

AMENDMENT NO. 2

On page 4, strike in their entirety lines 6 through 9, inclusive; in lines 10 and 31, strike “**(KK)**” and “**(LL)**”, respectively, and substitute “**(JJ)**” and “**(KK)**”, respectively; in

line 20, strike “A LOAN” and substitute “ANY AMOUNT OF A CORONAVIRUS RELIEF LOAN”; and strike in their entirety lines 26 through 30, inclusive, and substitute:

“(II) WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF CHAPTER _____ OR _____ (S.B. 496 OR H.B. 612) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2021, OR IF CREATED AFTER THE EFFECTIVE DATE OF THOSE ACTS, WITHIN 30 DAYS AFTER CREATING A CORONAVIRUS RELIEF PAYMENT PROGRAM, A UNIT OF STATE GOVERNMENT OR A LOCAL GOVERNMENT SHALL PROVIDE TO THE COMPTROLLER THE NAME OF THE CORONAVIRUS RELIEF PAYMENT PROGRAMS ADMINISTERED BY THE UNIT OR LOCAL GOVERNMENT.

“(III) ON REQUEST BY THE COMPTROLLER, A UNIT OF STATE GOVERNMENT OR A LOCAL GOVERNMENT THAT ADMINISTERS A CORONAVIRUS RELIEF PAYMENT PROGRAM SHALL PROVIDE TO THE COMPTROLLER, WITHIN 30 DAYS OF THE DATE OF THE REQUEST AND IN THE MANNER REQUESTED BY THE COMPTROLLER, THE FOLLOWING INFORMATION:

1. THE NAMES OF THE CORONAVIRUS RELIEF PAYMENT PROGRAMS ADMINISTERED BY THE UNIT OR LOCAL GOVERNMENT;

2. A LIST OF RECIPIENTS OF A CORONAVIRUS RELIEF PAYMENT, INCLUDING THE NAME, ADDRESS, AND TAX IDENTIFICATION NUMBER OF EACH RECIPIENT;

3. THE AMOUNT OF THE CORONAVIRUS RELIEF PAYMENT PROVIDED TO THE PERSON;

4. THE DATE THAT THE CORONAVIRUS RELIEF PAYMENT WAS PROVIDED TO THE PERSON; AND

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**5. ANY OTHER INFORMATION REQUESTED
REGARDING A CORONAVIRUS RELIEF PAYMENT.**

On pages 4 and 5, strike beginning with “(S.B.” in line 34 on page 4 down through “1LR0134)” in line 1 on page 5 and substitute “**(S.B. 496 OR H.B. 612)**”.

On page 5, after line 2, insert:

“10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(Y) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2022, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF BENEFITS PAID TO AN INDIVIDUAL IN ACCORDANCE WITH TITLE 8 OF THE LABOR AND EMPLOYMENT ARTICLE, OR IN ACCORDANCE WITH THE UNEMPLOYMENT INSURANCE PROGRAM OF A JURISDICTION WITH WHICH THE STATE HAS A RECIPROCAL TAXATION AGREEMENT, IF THE INDIVIDUAL’S FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR DOES NOT EXCEED:

(1) \$75,000 FOR AN INDIVIDUAL; OR

(2) \$100,000 FOR A MARRIED COUPLE FILING A JOINT RETURN OR AN INDIVIDUAL DESCRIBED IN § 2 OF THE INTERNAL REVENUE CODE AS A HEAD OF HOUSEHOLD OR AS A SURVIVING SPOUSE.”;

and in line 14, strike “§ 10–207(KK)” and substitute “**§ 10–207(JJ)**”.

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AMENDMENT NO. 3

On page 5, after line 14, insert:

“10–704.

(a) (1) A resident may claim a credit against the State income tax for a taxable year in the amount determined under subsection (b) of this section for earned income.

(2) A resident may claim a credit against the county income tax for a taxable year in the amount determined under subsection (c) of this section for earned income.

(b) (1) Except as provided in paragraphs (2) and (3) of this subsection and subject to subsection (d) of this section, the credit allowed against the State income tax under subsection (a)(1) of this section is the lesser of:

(i) 50% of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code; or

(ii) the State income tax for the taxable year.

(2) (i) Subject to subsection (d) of this section, a resident may claim a refund in the amount, if any, by which the applicable percentage specified in subparagraph (ii) of this paragraph of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code exceeds the State income tax for the taxable year.

(ii) The applicable percentage of the earned income credit allowable under § 32 of the Internal Revenue Code to be used for purposes of determining the refund provided under this paragraph is:

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1. 25% for a taxable year beginning after December 31, 2013, but before January 1, 2015;

2. 25.5% for a taxable year beginning after December 31, 2014, but before January 1, 2016;

3. 26% for a taxable year beginning after December 31, 2015, but before January 1, 2017;

4. 27% for a taxable year beginning after December 31, 2016, but before January 1, 2018; [and]

5. 28% for a taxable year beginning after December 31, 2017, BUT BEFORE JANUARY 1, 2020;

6. 45% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2023; AND

7. 28% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2022.

(3) (I) For purposes of this section for an individual without a qualifying child, the credit allowable for a taxable year under § 32 of the Internal Revenue Code is calculated without regard to the minimum age requirement under § 32(c)(1)(A)(ii)(II) of the Internal Revenue Code.

(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2023, THE CREDIT ALLOWED AGAINST THE STATE INCOME TAX UNDER SUBSECTION (A)(1) OF THIS SECTION FOR AN INDIVIDUAL WITHOUT A

QUALIFYING CHILD IS EQUAL TO 100% OF THE EARNED INCOME CREDIT ALLOWABLE FOR A TAXABLE YEAR UNDER § 32 OF THE INTERNAL REVENUE CODE.

(III) THE TAX CREDIT ALLOWED UNDER THIS PARAGRAPH MAY NOT EXCEED \$530 FOR A TAXABLE YEAR.

(IV) IF THE TAX CREDIT ALLOWED UNDER THIS PARAGRAPH IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE INDIVIDUAL WITHOUT A QUALIFYING CHILD FOR THAT TAXABLE YEAR, THE INDIVIDUAL MAY CLAIM A REFUND IN AN AMOUNT OF THE EXCESS.

(c) (1) Except as provided in paragraph (2) of this subsection and subject to subsection (d) of this section, the credit allowed against the county income tax under subsection (a)(2) of this section is the lesser of:

(i) the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code multiplied by 10 times the county income tax rate for the taxable year; or

(ii) the county income tax for the taxable year.

(2) (i) A county may provide, by law, for a refundable county earned income credit as provided in this paragraph.

(ii) If a county provides for a refundable county earned income credit under this paragraph, on or before July 1 prior to the beginning of the first taxable year for which it is applicable, the county shall give the Comptroller notice of the refundable county earned income credit.

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(iii) If a county provides for a refundable county earned income credit under this paragraph, a resident may claim a refund of the amount, if any, by which the product of multiplying the credit allowable for the taxable year under § 32 of the Internal Revenue Code by 5 times the county income tax rate for the taxable year exceeds the county income tax for the taxable year.

(iv) The amount of any refunds payable under a refundable county earned income credit operates to reduce the income tax revenue from individuals attributable to the county income tax for that county.

(d) For an individual who is a resident of the State for only a part of the year, the amount of the credit or refund allowed under this section shall be determined based on the part of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code that is attributable to Maryland, determined by multiplying the federal earned income credit by a fraction:

(1) the numerator of which is the Maryland adjusted gross income of the individual; and

(2) the denominator of which is the federal adjusted gross income of the individual.”.

AMENDMENT NO. 4

On page 6, after line 2, insert:

“Article – Tax – General

10–102.1.

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

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(2) “Distributable cash flow” means taxable income reportable by a pass-through entity on its federal income tax return for the taxable year:

(i) adjusted, in the case of an entity using the accrual method of accounting to report federal taxable income, to reflect the amount of taxable income that would have been reported under the cash method of accounting;

(ii) increased by the sum of:

1. cash receipts for the taxable year that are not includable in the gross income of the entity, including capital contributions and loan proceeds;

2. amounts allowable to the entity for the taxable year as deductions for depreciation, amortization, and depletion; and

3. the decrease, if any, in the entity’s liability reserve as of the end of the taxable year; and

(iii) decreased by the sum of:

1. cash expenditures for the taxable year that are not deductible in computing the taxable income of the entity, not including distributions to shareholders, partners, or members; and

2. the increase, if any, in the entity’s liability reserve as of the end of the taxable year.

(3) “Liability reserve” means accrued unpaid liabilities that are not deductible in computing taxable income.

(4) “Member” means:

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(i) a shareholder of an S corporation;

(ii) a general or limited partner of a partnership, limited partnership, or limited liability partnership;

(iii) a member of a limited liability company; or

(iv) a beneficiary of a business trust or statutory trust.

(5) “Nonresident entity” means an entity that is not formed under the laws of the State and is not qualified by or registered with the Department of Assessments and Taxation to do business in the State.

(6) “Nonresident taxable income” means any income described in § 10–210(b)(1) through (4) of this title.

(7) “Pass-through entity” means:

(i) an S corporation;

(ii) a partnership;

(iii) a limited liability company that is not taxed as a corporation under this title; or

(iv) a business trust or statutory trust that is not taxed as a corporation under this title.

(8) “Pass-through entity’s taxable income” means the portion of a pass-through entity’s income under the federal Internal Revenue Code that is derived from

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or reasonably attributable to the trade or business of the pass-through entity in this State.

(b) (1) Subject to paragraph (2) of this subsection, in addition to any other tax imposed under this title, a tax is imposed on each pass-through entity.

(2) Each pass-through entity:

(i) shall pay the tax imposed under paragraph (1) of this subsection with respect to the distributive shares or pro rata shares of the nonresident and nonresident entity members of the pass-through entity; or

(ii) may elect to pay the tax imposed under paragraph (1) of this subsection with respect to the distributive shares or pro rata shares of [resident] ALL members of the pass-through entity.

(c) (1) With respect to a pass-through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(i) of this section, the tax shall be treated as a tax imposed on the nonresident or nonresident entity members that is paid on behalf of the nonresidents or nonresident entities by the pass-through entity.

(2) The Comptroller shall provide by regulation for the treatment of the tax imposed under subsection (b) of this section that is paid on behalf of a nonresident entity member that is itself a pass-through entity.

(3) WITH RESPECT TO A PASS-THROUGH ENTITY THAT PAYS THE TAX IMPOSED UNDER SUBSECTION (B)(1) OF THIS SECTION IN ACCORDANCE WITH SUBSECTION (B)(2)(II) OF THIS SECTION, THE TAX SHALL BE TREATED AS A TAX IMPOSED ON THE PASS-THROUGH ENTITY ITSELF.

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(d) (1) With respect to a pass-through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(i) of this section, the tax imposed is the sum of:

(i) a rate equal to the sum of the rate of the tax imposed under § 10–106.1 of this subtitle and the top marginal State tax rate for individuals under § 10–105(a) of this subtitle applied to the sum of each nonresident individual member’s distributive share or pro rata share of the pass-through entity’s nonresident taxable income; and

(ii) the rate of the tax for a corporation under § 10–105(b) of this subtitle applied to the sum of each nonresident entity member’s distributive share or pro rata share of the pass-through entity’s nonresident taxable income.

(2) With respect to a pass-through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(ii) of this section, the tax imposed is the sum of:

(i) a rate equal to the sum of the rate of the tax imposed under § 10–106.1 of this subtitle and the top marginal State tax rate for individuals under § 10–105(a) of this subtitle applied to the sum of each individual member’s distributive share or pro rata share of the pass-through entity’s taxable income; and

(ii) the rate of the tax for a corporation under § 10–105(b) of this subtitle applied to the sum of each entity member’s distributive share or pro rata share of the pass-through entity’s taxable income.

(3) The tax required to be paid for any taxable year by a pass-through entity may not exceed:

(i) with respect to a pass-through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(i) of

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this section, the sum of all of the nonresident and nonresident entity members' shares of the pass-through entity's distributable cash flow; and

(ii) with respect to a pass-through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(ii) of this section, the sum of all of the members' shares of the pass-through entity's distributable cash flow.

(e) In accordance with § 10-701.1 of this title, each member may claim a credit against the tax imposed on the member for the member's proportionate share of the tax paid by the pass-through entity under subsection (b) of this section.

(f) (1) (i) The tax imposed under subsection ~~[(b)]~~ **(B)(1)** of this section **THAT IS PAID IN ACCORDANCE WITH SUBSECTION (B)(2)(I) OF THIS SECTION AND FOR WHICH NO ELECTION IS MADE UNDER SUBSECTION (B)(2)(II) OF THIS SECTION** does not apply with respect to the distributive share or pro rata share of a member that is itself a pass-through entity formed under the laws of the State or qualified by or registered with the Department of Assessments and Taxation to do business in the State.

(ii) A member of a pass-through entity that is itself a pass-through entity as described in subparagraph (i) of this paragraph shall itself comply with the provisions of this section.

(2) The tax imposed under subsection ~~[(b)]~~ **(B)(1)** of this section **THAT IS PAID IN ACCORDANCE WITH SUBSECTION (B)(2)(I) OF THIS SECTION AND FOR WHICH NO ELECTION IS MADE UNDER SUBSECTION (B)(2)(II) OF THIS SECTION** does not apply with respect to the direct or indirect distributive share or pro rata share of a member that is:

(i) a real estate investment trust as defined by § 856 of the Internal Revenue Code; or

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(ii) an entity that is exempt from taxation under § 501 of the Internal Revenue Code.

(g) The Comptroller may provide by regulation for:

(1) the filing of composite returns by a pass-through entity on behalf of its nonresident and nonresident entity members; and

(2) application of or exemption from the tax imposed under subsection (b) of this section for a pass-through entity:

(i) that files a composite return on behalf of nonresident and nonresident entity members; or

(ii) the entity members of which are tax exempt.

(h) (1) Subject to paragraph (2) of this subsection, if a partnership fails to pay the tax when due, the tax may be collected from the partners under the law applicable to debts of the partnership, with the partnership and partners having rights of contribution against any partner on whose behalf the tax is paid.

(2) Unless it is established by the Comptroller that the partner participated in a pattern of distributions to one or more partners with the intention of defeating the partnership liability for the tax imposed under subsection (b) of this section, any partner otherwise liable under paragraph (1) of this subsection shall be liable for the tax imposed on the partnership only to the extent of distributions from the partnership to that partner after the tax was due to be paid by the partnership.

(i) Except as provided in § 10-701.1 of this title, nothing in this section limits or affects in any way the liability of an individual nonresident member or a nonresident

entity member for the tax imposed on the individual nonresident or nonresident entity under § 10-102 of this subtitle.

(j) The tax imposed under subsection [(b)] (B)(1) of this section THAT IS PAID IN ACCORDANCE WITH SUBSECTION (B)(2)(I) OF THIS SECTION AND FOR WHICH NO ELECTION IS MADE UNDER SUBSECTION (B)(2)(II) OF THIS SECTION does not apply to a publicly traded pass-through entity that has agreed to file with the Comptroller an annual information return reporting the name, address, taxpayer identification number, and other information requested by the Comptroller of each nonresident or nonresident entity member whose distributive share or pro rata share of the pass-through entity's nonresident taxable income for the taxable year exceeds \$500.

10-205.

(a) In addition to the modification under § 10-204 of this subtitle, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(M) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF CREDIT THAT IS CLAIMED UNDER § 10-701.1 OF THIS TITLE FOR THE AMOUNT OF TAX PAID BY A PASS-THROUGH ENTITY UNDER § 10-102.1 OF THIS TITLE AND IS ATTRIBUTABLE TO THE MEMBER'S SHARE OF TAX ON THE MEMBER'S SHARE OF THE PASS-THROUGH ENTITY'S TAXABLE INCOME, AS DEFINED IN § 10-102.1(A)(8) OF THIS TITLE.

10-306.

(a) In addition to the modification under § 10-305 of this subtitle, the amounts under this section are added to the federal taxable income of a corporation to determine Maryland modified income.

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(b) The addition under subsection (a) of this section includes the additions required for an individual under:

(1) § 10–205(b) of this title (Enterprise zone wage credit, employment opportunity credit, disability credit, and qualified ex–felon employee credit);

(2) § 10–205(c) of this title (Reforestation and timber stand modification);

(3) § 10–205(e) of this title (Net operating loss modification);

(4) § 10–205(g) of this title (Unlicensed child care facility operating expenses); [and]

(5) § 10–205(i) of this title (Maryland research and development tax credit); AND

(6) § 10–205(M) OF THIS TITLE (CREDIT FOR SHARE OF TAXES PAID BY PASS–THROUGH ENTITIES).

10–701.1.

[An individual or a corporation] A MEMBER OF A PASS–THROUGH ENTITY may claim a credit against the [State] income tax for a taxable year in the amount of tax paid by a pass–through entity under § 10–102.1 of this title that is attributable to the [individual’s or corporation’s] MEMBER’S share of the pass–through entity’s taxable income, as defined in § 10–102.1(a)(8) of this title.

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

AMENDMENT NO. 5

On page 6, strike in their entirety lines 7 through 14, inclusive, and substitute:

“(d) (1) [“Computation] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, “COMPUTATION date” means the July 1 immediately preceding the calendar year for which a rate of contribution is assigned.

(2) FOR THE PERIOD BEGINNING MARCH 5, 2020, THROUGH THE SECOND JULY 1 AFTER THE EXPIRATION OF THE STATE OF EMERGENCY DECLARED BY THE GOVERNOR DUE TO THE COVID-19 PANDEMIC, BOTH INCLUSIVE, “COMPUTATION DATE” MEANS JULY 1, 2019, IF THAT DATE RESULTS IN A LOWER RATE OF CONTRIBUTION.”.

On page 7, after line 3, insert:

“(c) (1) If an employing unit has met each of the requirements to qualify for an earned rate but files no contribution reports for any of the 3 rating years immediately preceding the computation date as required by § 8-626 of this subtitle, the Secretary shall assign the employing unit the standard rate of contribution.

(2) NOTWITHSTANDING § 8-606(D)(2) OF THIS SUBTITLE, IF THE SECRETARY DETERMINES THAT AN EMPLOYING UNIT OR AGENCY HAS ESTABLISHED A PATTERN OF FAILING TO RESPOND TIMELY OR ADEQUATELY FOR REQUESTS FOR INFORMATION, THE SECRETARY MAY USE THE COMPUTATION DATE AS DEFINED IN § 8-606(D)(1) OF THIS SUBTITLE FOR PURPOSES OF DETERMINING AN EARNED RATE OF CONTRIBUTION.

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Labor and Employment

8-601.

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

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(b) “Election” means an election to make reimbursement payments instead of paying contributions in accordance with Part III of this subtitle.

(d) “Reimbursement payment” means a payment that an employing unit makes under an election to reimburse the Unemployment Insurance Fund for benefits paid.

8-620.

(a) (1) Reimbursement payments shall be made in accordance with this section.

(2) [Unless] EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (4) OF THIS SUBSECTION, UNLESS there is an application for review and redetermination of a bill under § 8-621 of this subtitle, a nonprofit organization or governmental entity shall pay the bill under this section within 30 days after the Secretary mailed the bill to the last known address of the nonprofit organization or governmental entity or otherwise delivered the bill to it.

(3) (I) FOR CALENDAR YEAR 2021, A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY THAT EMPLOYS FEWER THAN 50 INDIVIDUALS MAY ELECT TO DEFER PAYMENT OF THE BILLS UNDER THIS SECTION FOR THE CALENDAR QUARTERS ENDING ON MARCH 31, JUNE 30, AND SEPTEMBER 30.

(II) A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY THAT ELECTS TO DEFER THE PAYMENT OF A BILL AS AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH:

1. SHALL SUBMIT THE PAYMENT ON OR BEFORE THE DATE ON WHICH THE PAYMENT FOR THE CALENDAR QUARTER ENDING DECEMBER 31, 2021, IS DUE;

2. MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN EXTENSION;

3. NOTWITHSTANDING § 8-622 OF THIS SUBTITLE, MAY NOT BE CONSIDERED DELINQUENT IN MAKING THE PAYMENT DURING THE PERIOD FOR WHICH THE PAYMENT IS DEFERRED; AND

4. MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE PAYMENT IS DEFERRED.

(4) (I) FOR CALENDAR YEAR 2022, THE SECRETARY MAY AUTHORIZE A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY THAT EMPLOYS FEWER THAN 50 INDIVIDUALS TO DEFER PAYING A BILL.

(II) IF THE SECRETARY AUTHORIZES A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY TO DEFER PAYING A BILL IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH:

1. THE SECRETARY SHALL ESTABLISH THE DATE ON WHICH THE PAYMENT IS DUE;

2. THE NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN EXTENSION;

3. NOTWITHSTANDING § 8-622 OF THIS SUBTITLE, THE NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY MAY NOT BE CONSIDERED DELINQUENT IN MAKING THE PAYMENT DURING THE PERIOD FOR WHICH THE PAYMENT IS DEFERRED; AND

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4. THE NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE PAYMENT IS DEFERRED.

(c) Except as provided in subsection (d) of this section, at the end of each calendar quarter or any other period set by the Secretary, the Secretary shall send:

(1) to each nonprofit organization that has made an election or if the Secretary has approved a group account under § 8-619 of this subtitle, to the group representative, a bill for all regular and work sharing benefits, and 50% of extended benefits paid during that period that are attributable to covered employment for that nonprofit organization; and

(2) to each governmental entity that has made an election, a bill for all regular, work sharing, and extended benefits paid during that period that are attributable to covered employment for that governmental entity.

8-626.

(a) (1) [For] SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, FOR each calendar quarter, each employing unit shall submit to the Secretary a contribution and employment report on or before the date that the Secretary sets.

(2) (I) FOR CALENDAR YEAR 2021, AN EMPLOYING UNIT THAT EMPLOYS FEWER THAN 50 INDIVIDUALS MAY ELECT TO DEFER SUBMITTING CONTRIBUTION AND EMPLOYMENT REPORTS FOR THE CALENDAR QUARTERS ENDING ON MARCH 31, JUNE 30, AND SEPTEMBER 30.

(II) AN EMPLOYING UNIT THAT ELECTS TO DEFER THE SUBMISSION OF A CONTRIBUTION AND EMPLOYMENT REPORT AS AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH:

1. SHALL SUBMIT THE REPORT ON OR BEFORE THE DATE ON WHICH THE REPORT FOR THE CALENDAR QUARTER ENDING DECEMBER 31, 2021, IS DUE;

2. MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN EXTENSION; AND

3. MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE SUBMISSION IS DEFERRED.

(3) (i) FOR CALENDAR YEAR 2022, THE SECRETARY MAY AUTHORIZE AN EMPLOYING UNIT THAT EMPLOYS FEWER THAN 50 INDIVIDUALS TO DEFER SUBMITTING A CONTRIBUTION AND EMPLOYMENT REPORT DUE IN ACCORDANCE WITH THIS SECTION.

(ii) IF THE SECRETARY AUTHORIZES AN EMPLOYING UNIT TO DEFER SUBMITTING A CONTRIBUTION AND EMPLOYMENT REPORT IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH:

1. THE SECRETARY SHALL ESTABLISH THE DATE ON WHICH THE CONTRIBUTION AND EMPLOYMENT REPORT IS DUE;

2. THE EMPLOYING UNIT MAY NOT BE REQUIRED TO FILE FOR AN EXTENSION; AND

3. THE EMPLOYING UNIT MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE SUBMISSION IS DEFERRED.

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(b) An employing unit shall include in a contribution and employment report information that the Secretary requires.

(c) (1) An employing unit that fails to submit a contribution and employment report under this section is subject to a penalty of \$35 unless the Secretary waives the penalty for cause.

(2) An employing unit that submits a check or other negotiable instrument in payment of any penalty under this subsection which is returned for insufficient funds is subject to an additional penalty of \$25.

8-628.

(a) Except as provided in § 8-201.1 of this title AND §§ 8-620 AND 8-626 OF THIS SUBTITLE, a contribution or reimbursement payment that is due and unpaid shall accrue interest at the rate of 1.5% per month or part of a month from the date on which it is due until the Secretary receives the contribution or payment in lieu of contributions and the interest.

(b) Notwithstanding subsection (a) of this section, except as provided in § 8-201.1 of this title, for any calendar year in which Table F is applicable under § 8-612(d)(6) of this subtitle, a contribution or reimbursement payment that is due and unpaid shall accrue interest at the rate of 0.5% per month or part of a month from the date on which it is due until the Secretary receives the contribution or payment in lieu of contributions and the interest.”.

AMENDMENT NO. 6

On page 7, in line 4, strike “3.” and substitute “5.”; in line 8, strike “4” and substitute “3”; in line 19, strike “A” and substitute “Subject to subsection (e) of this section, a”; in the same line, strike “paragraph (1) of this subsection” and substitute “subsection (b) of this section”; and after line 25, insert:

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“(e) The credit allowed under this section shall be claimed in the manner prescribed by the Comptroller.”.

AMENDMENT NO. 7

On page 7, in line 26, strike “4.” and substitute “6.”; in the same line, strike “, as” and substitute “:”

(a) As”;

in line 27, after “Act” insert “and notwithstanding § 7–222 of the State Finance and Procurement Article”; in line 29, after “Article” insert “for a taxable year beginning after December 31, 2018, but before January 1, 2020”; strike in their entirety lines 31 and 32; in line 33, strike “(i)” and substitute “(1)”; and strike beginning with “other” in line 33 down through “item;” in line 34 and substitute “; or”.

On page 8, strike line 1 in its entirety; in line 2, strike “(iii)” and substitute “(2)”; strike beginning with “; and” in line 3 down through “Code” in line 10; after line 10, insert:

“(b) The Comptroller shall establish procedures to implement this section.”;

in line 11, strike “5.” and substitute “7.”; after line 11, insert:

“(a) As soon as practicable, the Comptroller shall conduct an earned income tax credit eligibility awareness campaign to encourage eligible individuals to claim the federal and State earned income tax credits for a taxable year beginning after December 31, 2019, but before January 1, 2021.

(b) To the extent that “tax information”, as defined in § 13–201 of the Tax – General Article, is required to be disclosed by the Comptroller in order to send the State economic impact payments under Section 6 of this Act:

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(1) the prohibition against the disclosure of tax information under § 13–202 of the Tax – General Article does not apply; and

(2) the tax information permitted to be disclosed is limited to the name, address, bank account number, and bank routing number provided by the taxpayer on the taxpayer’s Maryland income tax return.

(c) (1) Unless a garnishment relates to an action for or judgment awarding child support:

(i) an economic impact payment under Section 6 of this Act is exempt from and shall not be subject to garnishment; and

(ii) a financial institution may not hold an economic impact payment under Section 6 of this Act of a judgment debtor under a writ of garnishment and shall treat an economic impact payment as protected amounts under Maryland Rules 2–625.1 and 3–645.1.

(2) A banking institution or credit union incorporated under the laws of this State may not have a lien on or rights of setoff against funds in a customer’s or member’s account to the extent the funds are traceable to an economic impact payment under Section 6 of this Act.”;

in lines 12, 17, and 22, strike “(a)”, “(b)”, and “(c)”, respectively, and substitute “(d)”, “(e)”, and “(f)”, respectively; in lines 12, 23, and 24, strike “(c)”, “(b)”, and “(a)”, respectively, and substitute “(f)”, “(e)”, and “(d)”, respectively; in lines 15 and 20, in each instance, strike “4” and substitute “6”; and in line 21, strike “for” and substitute “during”.

AMENDMENT NO. 8

On page 8, in lines 25 and 32, strike “6.” and “7.”, respectively, and substitute “8.” and “9.”, respectively; in lines 27 and 28, strike “: (1) \$320,000,000” and substitute

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“\$306,000,000”; and strike beginning with “; and” in line 29 down through “Article” in line 31.

On page 9, in line 25, strike “\$13,000,000” and substitute “\$4,000,000”; strike line 28 in its entirety and substitute:

“C90G00.01 Public Service Commission \$30,000,000”;

in line 31, strike “\$30,000,000” and substitute “\$20,000,000”; in line 32, strike “\$10,000,000” and substitute “\$5,000,000”; in line 33, strike “\$40,000,000” and substitute “\$10,000,000”; and in line 35, strike “\$26,000,000” and substitute “\$22,000,000”.

On page 10, in line 5, strike “\$10,000,000” and substitute “\$7,000,000”; in line 8, strike “\$5,000,000” and substitute “\$2,000,000”; in line 9, strike “\$3,500,000” and substitute “\$2,000,000”; in line 12, strike “\$5,000,000” and substitute “\$2,000,000”; in line 13, strike “\$3,000,000” and substitute “\$500,000”; in line 17, strike “\$40,000,000” and substitute “\$32,000,000”; in line 21, strike “\$30,000,000” and substitute “\$10,000,000”; in line 22, strike “\$25,000,000” and substitute “\$10,000,000”; strike lines 28 and 29 in their entirety; in line 30, strike “\$25,000,000” and substitute “\$15,000,000”; in line 32, strike “\$15,000,000” and substitute “\$10,000,000”; and after line 34, insert:

“A15000.01 Disparity Grants \$5,000,000”.

On page 11, in line 2, after “be” insert “retroactively”; in line 5, after “(5)” insert “(i)”; in line 8, after “squads” insert “that have lost revenue due to COVID-19”; after line 8, insert:

“(ii) An applicant for a grant authorized under this paragraph may not have received other relief from sources such as county, federal, or other State aid.”

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(iii) The Maryland Emergency Management Agency shall advertise the grants authorized under this paragraph to all volunteer stations in the State.”;

in line 13, strike “Office of Home Energy Programs (N00I00.06), the Office” and substitute “Public Service Commission (C90G00.01)”:

(i) the Commission”;

in line 14, after “grants” insert “to utility companies”; in the same line, after “arrearages” insert “by reducing those arrearages; and

(ii) the funds shall be allocated in the following priority order:

1. eliminate all arrearages for households who have qualified for Office of Home Energy Program Energy Assistance benefits in the past 4 years;

2. eliminate all arrearages for residential special needs customers; and

3. eliminate the oldest arrearages”;

in line 20, strike “\$30,000,000” and substitute “\$20,000,000”; in line 33, strike “\$40,000,000” and substitute “\$10,000,000”; and in line 35, strike “\$12,000” and substitute “\$9,000”.

On page 12, in line 7, strike “\$26,000,000” and substitute “\$22,000,000”; in line 26, strike “and”; after line 26, insert:

“2. if a part of a franchise with multiple locations of businesses, are owned by a local franchisee; and”;

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in line 27, strike “2.” and substitute “3.”; and in line 33, after “to” insert “live”.

On page 13, in line 1, after “to” insert “live”; in line 7, after “the” insert “live”; in line 20, after “16–24” insert “, including through summer job programs”; and in line 34, strike “\$5,000,000” and substitute “\$2,000,000”.

On page 14, in line 1, strike “\$3,000,000” and substitute “\$500,000”; and in line 14, strike “\$40,000,000” and substitute “\$32,000,000”.

On page 15, in line 3, strike “hire additional caseworkers” and substitute “augment staffing”; strike beginning with “private” in line 13 down through “are” in line 15 and substitute “the following entities that have lost State or local funding as”; in line 15, after “pandemic” insert “:

(i) private commuter and shuttle bus operators, including entities that provide commuter and shuttle bus services contractually to government entities; and

(ii) locally operated transit systems”;

in line 17, after “shall” insert “:

(i) provide grants of \$5,000,000 to providers serving people directed to treatment under § 8–507 of the Health – General Article; and

(ii)”;

in line 18, after “provide” insert “grants of \$15,000,000 for”; in line 20, after “(26)” insert “(i)”; in lines 23, 24, 25, 26, and 27, strike “(i)”, “(ii)”, “(iii)”, “(iv)”, and “(v)”, respectively, and substitute “1.”, “2.”, “3.”, “4.”, and “5.”, respectively; after line 28, insert:

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“(ii) The Maryland Community Health Resource Commission may retain any funds allocated under paragraph (3) of this subsection that remain unspent at the end of the fiscal year into fiscal year 2022.”;

and strike in their entirety lines 29 through 36, inclusive, and substitute:

“(27) It is the intent of the General Assembly that the Governor allocate \$1.5 million of federal vaccine funding to the University of Maryland Baltimore Campus to assist with mobile vaccine administration.”.

On page 16, in lines 1, 5, 9, and 17, strike “(29)”, “(30)”, “(31)”, and “(32)”, respectively, and substitute “(28)”, “(29)”, “(30)”, and “(31)”, respectively; in line 3, strike “housing debt or”; and after line 20, insert:

“(32) For purposes of the amount authorized under paragraph (3) of this subsection for Disparity Grants (A15000.01), the funds shall be distributed as follows:

- (i) \$3,498,738 to Prince George’s County;
- (ii) \$360,034 to Dorchester County; and
- (iii) \$1,141,228 to Wicomico County.”.

On pages 17 through 19, strike in their entirety the lines beginning with line 33 on page 17 through line 15 on page 19, inclusive, and substitute:

“SECTION 10. AND BE IT FURTHER ENACTED, That:

(a) (1) Notwithstanding any other provision of law, \$23,000,000 from the money derived from the AltaGas Ltd. and WGL Holdings, Inc. merger approved by the Public Service Commission in Case No. 9449 Order No. 88631 on April 4, 2018, for the Maryland Gas Expansion Fund and deposited into the Maryland Strategic Energy

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Investment Fund established under § 9–20B–05 of the State Government Article may be expended only for utility arrearage assistance in fiscal 2021.

(2) The Governor is authorized to submit a budget amendment to appropriate the funds described under paragraph (1) of this subsection to the Public Service Commission.

(b) (1) Notwithstanding any other provision of law, \$30,000,000 of funds in the Maryland Strategic Energy Investment Fund from among all the allocations of the Regional Greenhouse Gas Initiative revenue established under § 9–20B–05 of the State Government Article that are not already appropriated in fiscal 2021 may be expended only for utility arrears in fiscal 2021.

(2) The Governor is authorized to submit a budget amendment to appropriate the funds described under paragraph (1) of this subsection to the Public Service Commission.

(c) (1) Subject to paragraph (2) of this subsection, funds directed to utility arrearages programs under subsections (a) and (b) of this section shall be used for grants to electric and natural gas utilities, including cooperatives and municipal utilities.

(2) The fund shall be used in the following priority order:

(i) eliminate all arrearages for households that have qualified for Office of Home Energy Assistance benefits in the past 4 years;

(ii) eliminate all arrearages for residential special needs customers; and

(iii) eliminate the oldest arrearages.

SECTION 11. AND BE IT FURTHER ENACTED, That:

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(a) In this section, “unrestricted fund balance” means all committed, unassigned, and “rainy day” funds, including rainy day funds reported by a county as restricted funds.

(b) Subject to subsection (c) of this section, the Comptroller may distribute to a county a grant from the Local Reserve Account established under § 2–606 of the Tax – General Article in an amount equal to the difference between a county’s audited fiscal year 2021 unrestricted fund balance and the amount necessary to bring the unrestricted fund balance to 5% of the county’s general fund revenues in fiscal year 2021.

(c) A county may not receive a grant under this section if federal legislation enacted after February 15, 2021, directs revenue in excess of 5% of general fund revenues to the county in federal fiscal 2021.”.

On page 19, in lines 16, 21, and 27, strike “9.”, “7”, and “10.”, respectively, and substitute “12.”, “9”, and “13.”, respectively; in line 18, strike “7 and 8” and substitute “9 and 10”; and in lines 25 and 26, in each instance, strike “7 or 8” and substitute “9 or 10”.

AMENDMENT NO. 9

On page 20, after line 4, insert:

“SECTION 14. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after December 31, 2019.

SECTION 15. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall apply prospectively only to computations of earned rates of contribution occurring on or after July 1, 2021.

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SECTION 16. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall be construed to apply only prospectively to bills for reimbursement or contributions and employment reports due on or after the effective date of this Act.”;

in lines 5, 6, and 8, strike “11.”, “2”, and “12.”, respectively, and substitute “17.”, “3”, and “19.”, respectively; and after line 7, insert:

“SECTION 18. AND BE IT FURTHER ENACTED, That, at the end of June 30, 2023, Section 4 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.”.