

HOUSE BILL 337

Q4
HB 594/20 – W&M

(PRE-FILED)

1lr1566

By: **Delegate P. Young**

Requested: November 1, 2020

Introduced and read first time: January 13, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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

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; prohibiting, for any calendar year, the
7 total amount of credits a vendor may claim from exceeding a certain amount;
8 providing for the certification of qualified job training organizations by the Secretary
9 of Labor; authorizing a vendor to submit to the Secretary an application to be
10 certified as a qualified job training organization; requiring the Secretary to review
11 the application and make a certain determination within a certain number of days;
12 requiring the Secretary to provide notice of certain determinations; requiring, on or
13 before a certain date each year, a vendor who claims a certain credit to submit a
14 certain report; requiring the Comptroller to adopt certain regulations; defining
15 certain terms; and generally relating to the sales and use tax vendor collection credit.

16 BY repealing and reenacting, with amendments,
17 Article – Tax – General
18 Section 11–105
19 Annotated Code of Maryland
20 (2016 Replacement Volume and 2020 Supplement)

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

23 **Article – Tax – General**

24 11–105.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) Except as provided in subsections (b) [and], (c), AND (D) of this section,
2 a vendor who timely files a sales and use tax return is allowed, for the expense of collecting
3 and paying the tax, a credit equal to 0.9% of the gross amount of sales and use tax that the
4 vendor is to pay to the Comptroller.

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

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

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

15 (c) (1) The credit allowed under subsection (a) of this section may not exceed
16 \$500 for each return.

17 (2) For a vendor who files or is eligible to file a consolidated return under
18 § 11-502 of this title, the total maximum credit that the vendor is allowed under this section
19 for all returns filed for any period is \$500.

20 (D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
21 MEANINGS INDICATED.

22 (II) "QUALIFIED JOB TRAINING ORGANIZATION" MEANS AN
23 ORGANIZATION THAT:

24 1. IS LOCATED IN THE STATE;

25 2. IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF
26 THE INTERNAL REVENUE CODE;

27 3. CONDUCTS RETAIL SALES OF DONATED ITEMS;

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

31 5. USES A MAJORITY OF ITS REVENUE FOR JOB
32 TRAINING AND JOB PLACEMENT PROGRAMS:

33 A. THAT ASSIST INDIVIDUALS WITH GROWTH IN

1 EMPLOYMENT HOURS;

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

4 C. FOR VETERANS.

5 (III) "SECRETARY" MEANS THE SECRETARY OF LABOR.

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

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

15 (III) FOR ANY CALENDAR YEAR, THE TOTAL AMOUNT OF CREDITS
16 THAT A VENDOR MAY CLAIM MAY NOT EXCEED \$250,000.

17 (3) (I) A VENDOR MAY APPLY TO THE SECRETARY TO BE
18 CERTIFIED AS A QUALIFIED JOB TRAINING ORGANIZATION.

19 (II) WITHIN 30 DAYS OF RECEIVING THE APPLICATION, THE
20 SECRETARY SHALL REVIEW THE APPLICATION AND IF THE VENDOR:

21 1. IS DETERMINED TO BE A QUALIFIED JOB TRAINING
22 ORGANIZATION, CERTIFY THE VENDOR AS A QUALIFIED JOB TRAINING
23 ORGANIZATION AND NOTIFY THE VENDOR AND THE COMPTROLLER; OR

24 2. IS DETERMINED NOT TO BE A QUALIFIED JOB
25 TRAINING ORGANIZATION, NOTIFY THE VENDOR.

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

29 (I) THE AMOUNT OF CREDITS CLAIMED;

30 (II) THE AMOUNT SPENT BY THE VENDOR ON JOB TRAINING AND
31 EMPLOYMENT SERVICES; AND

1 **(III) THE NUMBER OF INDIVIDUALS RECEIVING JOB TRAINING**
2 **AND EMPLOYMENT SERVICES.**

3 **(5) THE COMPTROLLER SHALL ADOPT REGULATIONS TO IMPLEMENT**
4 **THIS SUBSECTION.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2021.