

EMERGENCY BILL

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6lr1573

By: Senators Currie, Middleton, and Hogan

Introduced and read first time: January 24, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Work, Not Welfare, Tax Incentive Act - Corrective Amendment**

3 FOR the purpose of clarifying the manner in which the Work, Not Welfare, Tax Credit
4 shall be calculated for employees who work less than 1 year; making this Act an
5 emergency measure; and generally relating to the implementation of the Work, Not
6 Welfare, Tax Incentive Act.

7 BY repealing and reenacting, with amendments,
8 Article 88A - Social Services Administration
9 Section 56(e)
10 Annotated Code of Maryland
11 (1995 Replacement Volume)

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

14 **Article 88A - Social Services Administration**

15 56.

16 (e) (1) A business entity may not claim the credit under this section for an
17 employee:

18 (i) Who is hired to replace a laid-off employee or to replace an
19 employee who is on strike; or

20 (ii) For whom the business entity simultaneously receives federal or
21 State employment training benefits.

22 (2) A business entity may not claim the credit under this section until it has
23 notified the appropriate government agency that the qualified employment opportunity
24 employee has been hired.

25 (3) A business entity may not claim the credit under this Section for an
26 employee whose employment lasts less than one year unless the employee:

27 (i) Voluntarily terminates employment with the employer;

28 (ii) Is unable to continue employment due to death of a disability; or

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1 (iii) Is terminated for cause.

2 (4) A business entity may claim a credit [reduced by the proportion of a
3 year that an employee did not work if the employment is less than a year because] IN
4 THE AMOUNT PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION FOR AN
5 EMPLOYEE WHOSE EMPLOYMENT LASTS LESS THAN 1 YEAR IF the employee:

6 (i) Voluntarily terminates employment with the employer;

7 (ii) Is unable to continue employment due to death of a disability; or

8 (iii) Is terminated for cause.

9 (5) IF A BUSINESS ENTITY IS ENTITLED TO A TAX CREDIT FOR AN
10 EMPLOYEE WHO IS EMPLOYED FOR LESS THAN 1 YEAR UNDER PARAGRAPH (4) OF
11 THIS SUBSECTION, THE BUSINESS ENTITY MAY CLAIM A TAX CREDIT OF 30% OF UP
12 TO THE FIRST \$6,000 OF THE WAGES PAID TO THE EMPLOYEE DURING THE COURSE
13 OF THE EMPLOYEE'S EMPLOYMENT.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
15 measure, is necessary for the immediate preservation of the public health and safety, has
16 been passed by a ye and nay vote supported by three-fifths of all the members elected to
17 each of the two Houses of the General Assembly, and shall take effect from the date it is
18 enacted.