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By: **Senator Hoffman**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credits - Employment of Individuals with Disabilities**

3 FOR the purpose of extending a certain termination provision applicable to certain  
4 tax credits allowed for employment of qualified individuals with disabilities and  
5 altering certain dates of applicability for the credits; requiring the State  
6 Department of Education annually to report to the Governor and General  
7 Assembly on the tax credits; altering the date by which a certain report is due on  
8 the tax credits; and generally relating to certain tax credits for employment of  
9 individuals with disabilities.

10 BY adding to

11 Article - Education  
12 Section 21-309(i)  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume and 1997 Supplement)

15 BY repealing and reenacting, with amendments,

16 Chapter 112 of the Acts of the General Assembly of 1997  
17 Section 3, 4, and 6

18 BY repealing and reenacting, with amendments,

19 Chapter 113 of the Acts of the General Assembly of 1997  
20 Section 3, 4, and 6

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

23 **Article - Education**

24 21-309.

25 (1) THE STATE DEPARTMENT OF EDUCATION SHALL REPORT TO THE  
26 GOVERNOR, AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO  
27 THE GENERAL ASSEMBLY, BEFORE NOVEMBER 15 OF EACH YEAR ON:

- 1 (1) MARKETING ACTIVITIES FOR THE CREDIT UNDER THIS SECTION;
- 2 (2) THE NUMBER OF BUSINESS ENTITIES WHO HIRED A QUALIFIED  
3 EMPLOYEE WITH A DISABILITY DURING THE PRECEDING YEAR;
- 4 (3) THE NUMBER OF QUALIFIED EMPLOYEES WITH DISABILITIES:
- 5 (I) HIRED IN EACH BUSINESS SECTOR FOR THE PRECEDING YEAR;  
6 AND
- 7 (II) HIRED DURING THE PRECEDING YEAR AND EMPLOYED FOR  
8 LESS THAN 1 YEAR;
- 9 (4) A SUMMARY OF THE AVERAGE HOURLY WAGES PAID TO QUALIFIED  
10 EMPLOYEES WITH DISABILITIES FOR THE PRECEDING YEAR; AND
- 11 (5) THE NUMBER AND AMOUNT OF CREDITS CLAIMED DURING THE  
12 PRECEDING YEAR.

13

**Chapter 112 of the Acts of 1997**

14 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of  
15 [Fiscal] LEGISLATIVE Services, based on information provided by and in consultation  
16 with the Department of Education, the Governor's Office for Individuals with  
17 Disabilities, the Developmental Disabilities Administration, the Department of  
18 Assessments and Taxation, and the Comptroller, shall conduct a study of the efficacy  
19 and effectiveness of the tax credit program established under Section 1 of this Act in  
20 increasing the employment and prospects for self-sufficiency of the target population,  
21 including an analysis of the profile of employers having taken advantage of these tax  
22 credits in hiring new employees, the cost effectiveness of the subsidy in reaching  
23 State goals, and the appropriateness of the level of the tax credits. The study shall  
24 also include an analysis of the potential effectiveness of the program based on varying  
25 the size, duration, and structure of the subsidy. The Department shall complete and  
26 present the results of the study to the Senate Budget and Taxation Committee and  
27 the House Committee on Ways and Means by December 1, [1999] 2001.

28 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be  
29 applicable to all taxable years beginning after December 31, 1996 but before January  
30 1, [2003] 2005; provided, however, that the tax credit under § 21-309 of the Education  
31 Article, as enacted under Section 1 of this Act, shall be allowed only for employees  
32 hired on or after October 1, 1997 but before January 1, [2001] 2003; and provided  
33 further that any excess credits under § 21-309 of the Education Article may be  
34 carried forward and, subject to the limitations under § 21-309 of the Education  
35 Article, may be applied as a credit for taxable years beginning on or after January 1,  
36 [2003] 2005.

37 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions  
38 of Section 4 of this Act, this Act shall take effect October 1, 1997. It shall remain in  
39 effect for a period of [3 years] 5 YEARS and 3 months and at the end of December 31,

1 [2000] 2002, with no further action required by the General Assembly, this Act shall  
2 be abrogated and of no further force and effect.

3

### Chapter 113 of the Acts of 1997

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32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 July 1, 1998.