
By: ~~Senator Hoffman~~ Senators Hoffman, Boozer, Currie, Fry, Hogan,
Kasemeyer, Lawlah, McFadden, Middleton, Munson, Neall, Ruben, and
Van Hollen

Introduced and read first time: February 6, 1998
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 17, 1998

CHAPTER _____

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

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

3 **Article - Education**

4 21-309.

5 (I) THE STATE DEPARTMENT OF EDUCATION SHALL REPORT TO THE
6 GOVERNOR, AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO
7 THE GENERAL ASSEMBLY, BEFORE ~~NOVEMBER 15~~ JANUARY 15 OF EACH YEAR ON:

8 (1) MARKETING ACTIVITIES FOR THE CREDIT UNDER THIS SECTION;

9 (2) THE NUMBER OF BUSINESS ENTITIES WHO HIRED A QUALIFIED
10 EMPLOYEE WITH A DISABILITY DURING THE PRECEDING YEAR;

11 (3) THE NUMBER OF QUALIFIED EMPLOYEES WITH DISABILITIES:

12 (I) HIRED IN EACH BUSINESS SECTOR FOR THE PRECEDING YEAR;
13 AND

14 (II) HIRED DURING THE PRECEDING YEAR AND EMPLOYED FOR
15 LESS THAN 1 YEAR;

16 (4) A SUMMARY OF THE AVERAGE HOURLY WAGES PAID TO QUALIFIED
17 EMPLOYEES WITH DISABILITIES FOR THE PRECEDING YEAR; ~~AND~~

18 (5) THE NUMBER AND AMOUNT OF CREDITS CLAIMED DURING THE
19 PRECEDING YEAR; AND

20 (6) THE NUMBER AND AMOUNT OF CREDITS CLAIMED FOR CHILD CARE
21 OR TRANSPORTATION EXPENSES, INCLUDING A SUMMARY OF THE TYPES OF
22 TRANSPORTATION EXPENSES INCURRED BY BUSINESS ENTITIES.

23 **Chapter 112 of the Acts of 1997**

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

1 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be
2 applicable to all taxable years beginning after December 31, 1996 but before January
3 1, [2003] 2005; provided, however, that the tax credit under § 21-309 of the Education
4 Article, as enacted under Section 1 of this Act, shall be allowed only for employees
5 hired on or after October 1, 1997 but before January 1, [2001] 2003; and provided
6 further that any excess credits under § 21-309 of the Education Article may be
7 carried forward and, subject to the limitations under § 21-309 of the Education
8 Article, may be applied as a credit for taxable years beginning on or after January 1,
9 [2003] 2005.

10 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions
11 of Section 4 of this Act, this Act shall take effect October 1, 1997. It shall remain in
12 effect for a period of [3 years] 5 YEARS and 3 months and at the end of December 31,
13 [2000] 2002, with no further action required by the General Assembly, this Act shall
14 be abrogated and of no further force and effect.

15 **Chapter 113 of the Acts of 1997**

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