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By: **Delegates Barve, Barkley, Hurson, Franchot, Baldwin, Pendergrass,  
Shriver, and Bronrott**

Introduced and read first time: February 12, 1999

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Information Technology Workforce Training - Income Tax Credit for**  
3 **Individuals and Employers**

4 FOR the purpose of allowing an individual a credit against the State income tax for  
5 certain amounts paid by the individual during the taxable year for certain  
6 information technology training for the individual or the individual's spouse or  
7 dependents, subject to certain limitations and conditions; allowing an employer  
8 a credit against the State income tax for certain amounts paid by the employer  
9 during the taxable year for certain information technology training for the  
10 employer's employees in the State, subject to certain limitations; providing for  
11 the carryover of certain unused credits to certain taxable years; requiring the  
12 Department of Business and Economic Development to adopt certain  
13 regulations governing the administration and application of the tax credits;  
14 providing for the application of this Act; and generally relating to certain income  
15 tax credits for individuals and employers for certain amounts paid for certain  
16 information technology training.

17 BY adding to  
18 Article - Tax - General  
19 Section 10-712  
20 Annotated Code of Maryland  
21 (1997 Replacement Volume and 1998 Supplement)

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

24 **Article - Tax - General**

25 10-712.

26 (A) IN THIS SECTION, "INFORMATION TECHNOLOGY TRAINING" MEANS A  
27 RECOGNIZED COMPONENT OF STUDY:

28 (1) OFFERED BY A PROVIDER IN MARYLAND;

1 (2) THAT IS RECOGNIZED BY NATIONAL ACCREDITING CORPORATIONS  
2 AND ASSOCIATIONS; AND

3 (3) ON SUCCESSFUL COMPLETION ISSUES AN INDIVIDUAL A  
4 CERTIFICATE OF PROFICIENCY IN A SPECIFIC INFORMATION  
5 TECHNOLOGY-RELATED SKILL OR OCCUPATION.

6 (B) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, AN  
7 INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT  
8 EQUAL TO 50% OF THE AMOUNT PAID BY THE INDIVIDUAL DURING THE TAXABLE  
9 YEAR FOR INFORMATION TECHNOLOGY TRAINING FOR THE INDIVIDUAL OR THE  
10 INDIVIDUAL'S SPOUSE OR DEPENDENTS.

11 (2) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS  
12 SUBSECTION MAY NOT EXCEED \$2,500 FOR EACH INCOME TAX RETURN.

13 (3) (I) THE INDIVIDUAL WHO RECEIVES THE INFORMATION  
14 TECHNOLOGY TRAINING WITH RESPECT TO WHICH A CREDIT UNDER THIS  
15 SUBSECTION IS ALLOWED SHALL:

16 1. COMMENCE EMPLOYMENT IN THE STATE IN AN  
17 OCCUPATION DIRECTLY RELATED TO THE INFORMATION TECHNOLOGY TRAINING  
18 WITHIN 1 YEAR AFTER SUCCESSFUL COMPLETION OF THE INFORMATION  
19 TECHNOLOGY TRAINING; AND

20 2. CONTINUE EMPLOYMENT IN THE STATE IN AN  
21 OCCUPATION DIRECTLY RELATED TO THE INFORMATION TECHNOLOGY TRAINING  
22 FOR AT LEAST 1 YEAR.

23 (II) IF THE INDIVIDUAL WHO RECEIVES THE INFORMATION  
24 TECHNOLOGY TRAINING WITH RESPECT TO WHICH A CREDIT UNDER THIS  
25 SUBSECTION IS ALLOWED FAILS TO SATISFY THE SERVICE OBLIGATION DESCRIBED  
26 UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE CREDIT ALLOWED UNDER THIS  
27 SUBSECTION SHALL BE RECAPTURED UNDER REGULATIONS THAT THE  
28 COMPTROLLER ADOPTS.

29 (C) (1) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (2) OF THIS  
30 SUBSECTION, AN EMPLOYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX  
31 IN AN AMOUNT EQUAL TO 50% OF THE TOTAL AMOUNT PAID BY THE EMPLOYER  
32 DURING THE TAXABLE YEAR FOR INFORMATION TECHNOLOGY TRAINING FOR THE  
33 EMPLOYER'S EMPLOYEES IN THE STATE.

34 (2) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS  
35 SECTION MAY NOT EXCEED \$2,500 FOR EACH EMPLOYEE RECEIVING THE  
36 INFORMATION TECHNOLOGY TRAINING.

37 (D) (1) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE  
38 YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY AN INDIVIDUAL OR AN  
39 EMPLOYER FOR THAT TAXABLE YEAR, THE INDIVIDUAL OR EMPLOYER MAY APPLY  
40 THE EXCESS AS A CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

1           (1)     THE FULL AMOUNT OF THE EXCESS IS USED; OR

2           (2)     THE EXPIRATION OF THE TENTH TAXABLE YEAR AFTER THE  
3 TAXABLE YEAR IN WHICH THE COSTS FOR WHICH THE CREDIT IS CLAIMED ARE PAID.

4     (E)     THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, IN  
5 CONSULTATION WITH THE MARYLAND HIGHER EDUCATION COMMISSION, THE  
6 GOVERNOR'S WORKFORCE INVESTMENT BOARD, THE HIGH TECHNOLOGY COUNCIL  
7 OF MARYLAND, THE COMPUTING TECHNOLOGY INDUSTRY ASSOCIATION, AND OTHER  
8 INTERESTED PARTIES, SHALL ADOPT REGULATIONS GOVERNING THE  
9 ADMINISTRATION AND APPLICATION OF THE TAX CREDIT UNDER THIS SECTION.

10    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 July 1, 1999 and shall be applicable to all taxable years beginning after December 31,  
12 1998.