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By: **Senator Conway**  
Introduced and read first time: February 5, 1999  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Youth Apprenticeships**

3 FOR the purpose of allowing a credit against the State income tax for wages paid by  
4 business entities to apprentices hired under a certain youth apprenticeship  
5 program; providing for the calculation of the credit; providing for refunds if the  
6 credit exceeds the total tax otherwise payable for a taxable year; defining a  
7 certain term; providing for the applicability of this Act; and generally relating to  
8 a credit against the State income tax for business entities hiring individuals  
9 under a certain youth apprenticeship program.

10 BY adding to  
11 Article - Tax - General  
12 Section 10-712  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume and 1998 Supplement)

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

17 **Article - Tax - General**

18 10-712.

19 (A) IN THIS SECTION, "BUSINESS ENTITY" MEANS:

20 (1) A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS IN  
21 MARYLAND; OR

22 (2) AN ORGANIZATION OPERATING IN MARYLAND THAT IS EXEMPT  
23 FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE.

24 (B) A BUSINESS ENTITY MAY CLAIM A CREDIT AGAINST THE STATE INCOME  
25 TAX FOR 25% OF THE WAGES PAID TO AN APPRENTICE HIRED UNDER A PROGRAM  
26 ESTABLISHED BY THE BETTER WAVERLY COMMUNITY ORGANIZATION IN WHICH  
27 UNDERPRIVILEGED YOUTHS AT LEAST 16 YEARS OLD BUT YOUNGER THAN THE AGE

1 OF 23 YEARS ARE HIRED BY BUSINESS ENTITIES TO IMPROVE LOW TO MODERATELY  
2 VALUED HOMES IN THE WAVERLY COMMUNITY OF BALTIMORE CITY.

3 (C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR  
4 EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE BUSINESS ENTITY FOR THAT  
5 TAXABLE YEAR, THE EXCESS SHALL BE REFUNDED TO THE BUSINESS ENTITY.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 July 1, 1999 and shall be applicable to all taxable years beginning after December 31,  
8 1998.