

HOUSE BILL 1015

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Q7

2000 Regular Session
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By: **Delegates Shriver, Hixson, Rosenberg, Bozman, Healey, and Howard**
Introduced and read first time: February 11, 2000
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Work, Not Welfare, and Qualifying Employees with Disabilities Tax Credits**

3 FOR the purpose of altering certain requirements for an individual to qualify as a
4 qualified employment opportunity employee for purposes of certain tax credits
5 allowed to employers that hire certain individuals; altering the administration
6 of certain tax credits allowed to employers that hire certain qualified individuals
7 with disabilities; including certain disabled veterans within the definition of a
8 qualified employee with a disability for purposes of the credits allowed to
9 employers that hire certain qualified individuals with disabilities; altering the
10 calculation of the credits allowed to employers that hire certain qualified
11 individuals with disabilities; altering certain termination provisions, dates of
12 applicability, and required reporting dates for certain tax credits allowed to
13 employers that hire certain individuals; providing for the application of this Act;
14 and generally relating to certain tax credits allowed to employers that hire
15 certain qualified employment opportunity employees or certain qualifying
16 individuals with disabilities.

17 BY repealing and reenacting, with amendments,
18 Article 88A - Department of Human Resources
19 Section 54
20 Annotated Code of Maryland
21 (1998 Replacement Volume and 1999 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article - Education
24 Section 21-309
25 Annotated Code of Maryland
26 (1999 Replacement Volume)

27 BY repealing and reenacting, with amendments,
28 Chapter 492 of the Acts of the General Assembly of 1995, as amended by
29 Chapter 10 of the Acts of the General Assembly of 1996 and Chapters 598
30 and 599 of the Acts of the General Assembly of 1998
31 Section 3

- 1 BY repealing and reenacting, with amendments,
2 Chapter 379 of the Acts of the General Assembly of 1996, as amended by
3 Chapters 14 and 70 of the Acts of the General Assembly of 1997 and
4 Chapters 598 and 599 of the Acts of the General Assembly of 1998
5 Section 3
- 6 BY repealing and reenacting, with amendments,
7 Chapter 379 of the Acts of the General Assembly of 1996, as amended by
8 Chapter 34 of the Acts of the General Assembly of 1999
9 Section 6
- 10 BY repealing and reenacting, without amendments,
11 Chapter 626 of the Acts of the General Assembly of 1996, as amended by
12 Chapter 14 of the Acts of the General Assembly of 1997 and Chapter 730 of
13 the Acts of the General Assembly of 1998
14 Section 4
- 15 BY repealing and reenacting, without amendments,
16 Chapter 626 of the Acts of the General Assembly of 1996, as amended by
17 Chapter 730 of the Acts of the General Assembly of 1998
18 Section 5
- 19 BY repealing and reenacting, with amendments,
20 Chapter 112 of the Acts of the General Assembly of 1997, as amended by
21 Chapter 614 of the Acts of the General Assembly of 1998
22 Section 3, 4, and 6
- 23 BY repealing and reenacting, with amendments,
24 Chapter 113 of the Acts of the General Assembly of 1997, as amended by
25 Chapter 614 of the Acts of the General Assembly of 1998
26 Section 3, 4, and 6
- 27 BY repealing and reenacting, with amendments,
28 Chapter 598 of the Acts of the General Assembly of 1998
29 Section 2
- 30 BY repealing and reenacting, with amendments,
31 Chapter 599 of the Acts of the General Assembly of 1998
32 Section 2
- 33 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
34 MARYLAND, That the Laws of Maryland read as follows:

Article 88A - Department of Human Resources

2 54.

3 (a) (1) In this section the following words have the meanings indicated.

4 (2) "Business entity" means:

5 (i) A person conducting or operating a trade or business in
6 Maryland; or7 (ii) An organization operating in Maryland that is exempt from
8 taxation under § 501(c)(3) or (4) of the Internal Revenue Code.9 (3) "Qualified child care expenses" means State regulated child care
10 expenses that are incurred by a business entity to enable a qualified employment
11 opportunity employee of the business to be gainfully employed.12 (4) (i) "Qualified employment opportunity employee" means an
13 individual who is a resident of Maryland and who for [three months] ANY 9 MONTHS
14 DURING THE 18 MONTH PERIOD before the individual's employment with a business
15 entity was a recipient of temporary cash assistance from the State under the Aid to
16 Families with Dependent Children Program or the Family Investment Program and
17 who for six months before the individual's employment with a business entity was a
18 Maryland resident.19 (ii) "Qualified employment opportunity employee" does not include
20 an individual who is the spouse of, or has any of the relationships specified in § 152
21 (a)(1) through (8) of the Internal Revenue Code to, a person who controls, directly or
22 indirectly, more than 50% of the ownership of the business entity.23 (5) "Transportation expenses" means expenses that are incurred by a
24 business entity to enable a qualified employment opportunity employee to travel to
25 and from work.26 (6) "Wages" means wages, within the meaning of § 51(c)(1), (2), and (3) of
27 the Internal Revenue Code without regard to § 51(c)(4) of the Internal Revenue Code,
28 that are paid by a business entity to an employee for services performed in a trade or
29 business of the business entity.30 (b) (1) Except as provided in subsection (e) of this section, a business entity
31 may claim a tax credit in the amounts determined under subsections (c) and (d) of this
32 section for the wages and qualified child care or transportation expenses with respect
33 to a qualified employment opportunity employee that are paid in the taxable year for
34 which the business entity claims the credit.35 (2) The same tax credit cannot be applied more than once against
36 different taxes by the same taxpayer.

1 (c) (1) Except as provided in paragraph (2) of this subsection, for each
2 taxable year, for the wages paid to each qualified employment opportunity employee,
3 a credit is allowed in an amount equal to:

4 (i) 30% of up to the first \$6,000 of the wages paid to the qualified
5 employment opportunity employee during the first year of employment; and

6 (ii) 20% of up to the first \$6,000 of the wages paid to the qualified
7 employment opportunity employee during the second year of employment.

8 (2) If the qualified employment opportunity employee has been a
9 recipient of temporary cash assistance from the State under the Aid to Families with
10 Dependent Children Program or the Family Investment Program for at least 18 of the
11 last 48 months, whether consecutive or not consecutive, and has been employed for a
12 full year by a business entity claiming the credit, the credit allowed under this section
13 is an amount equal to 40% of up to the first \$10,000 in wages paid to the qualified
14 employment opportunity employee during the first year of employment.

15 (d) For each taxable year, for child care provided or paid for by a business
16 entity for the children of a qualified employment opportunity employee of the
17 business entity or for transportation expenses, a credit is allowed in an amount equal
18 to:

19 (1) Up to \$600 of the qualified child care or transportation expenses
20 incurred for each qualified employment opportunity employee during the first year of
21 employment; and

22 (2) Up to \$500 of the qualified child care expenses incurred for each
23 qualified employment opportunity employee during the second year of employment.

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

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

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

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

33 (3) A business entity may claim a credit in the amount provided in
34 paragraph (4) of this subsection for an employee whose employment lasts less than 1
35 year if the employee:

36 (i) Voluntarily terminates employment with the employer;

- 1 (ii) Is unable to continue employment due to death or a disability;
2 or
- 3 (iii) Is terminated for cause.
- 4 (4) (i) If a business entity is entitled to a tax credit under paragraph
5 (c)(1) of this section for an employee who is employed for less than 1 year because the
6 employee voluntarily terminates employment with the employer to take another job,
7 the business entity may claim a tax credit of 30% of up to the first \$6,000 of the wages
8 paid to the employee during the course of employment.
- 9 (ii) If a business entity is entitled to a tax credit under paragraph
10 (c)(1) of this section for an employee who is employed for less than 1 year for a reason
11 other than that described in subparagraph (i) of this paragraph, the amount of the
12 credit shall be reduced by the proportion of a year that the employee did not work.
- 13 (f) If the credit allowed under this section in any taxable year exceeds the
14 total tax otherwise payable by the business entity for that taxable year, a business
15 entity may apply the excess as a credit for succeeding taxable years until the earlier
16 of:
- 17 (1) The full amount of the excess is used; or
- 18 (2) The expiration of the fifth taxable year after the taxable year in
19 which the wages or qualified child care expenses for which the credit is claimed are
20 paid.
- 21 (g) If a credit is claimed under this section, the claimant must make the
22 addition required in § 10-205 or § 10-306 of the Tax - General Article.
- 23 (h) The Comptroller in cooperation with the Department of Labor, Licensing,
24 and Regulation and the Department of Human Resources shall administer the credit
25 under this section.
- 26 (i) The Department of Labor, Licensing, and Regulation, the Department of
27 Human Resources, and the Comptroller shall report to the Governor and, subject to §
28 2-1246 of the State Government Article, to the General Assembly before January 15
29 of each year on:
- 30 (1) Marketing activities;
- 31 (2) The coordination of interagency activities;
- 32 (3) The number of business entities who hired employment opportunity
33 employees during the preceding year, including a separate account of the number of
34 organizations that are exempt from taxation under § 501(c)(3) or (4) of the Internal
35 Revenue Code;
- 36 (4) The number of employment opportunity employees;

- 1 (i) Hired in each business sector for the preceding year; and
- 2 (ii) Hired during the preceding year and employed for less than 1
3 year;
- 4 (5) A summary of the wages paid to employment opportunity employees
5 for the preceding year;
- 6 (6) The total number and amount of job certifications issued and credits
7 claimed during the preceding year as well as the number and amount of job
8 certifications issued and credits claimed during the preceding year for employment
9 opportunity employees eligible for the credit granted under subsection (c)(2) of this
10 section;
- 11 (7) The number and amount of credits claimed for child care or
12 transportation expenses incurred, including a summary of the types of transportation
13 expenses incurred by business entities; and
- 14 (8) The number of employment opportunity employees employed for:
- 15 (i) More than 1 year but less than 2 years;
- 16 (ii) More than 2 years but less than 3 years; and
- 17 (iii) 3 years or more.

18

Article - Education

19 21-309.

- 20 (a) (1) In this section the following words have the meanings indicated.
- 21 (2) "Business entity" means:
- 22 (i) A person conducting or operating a trade or business in
23 Maryland; or
- 24 (ii) An organization operating in Maryland that is exempt from
25 taxation under § 501(c)(3) or (4) of the Internal Revenue Code.
- 26 (3) "Division" means the Division of Rehabilitation Services of the
27 Maryland State Department of Education.
- 28 (4) "Qualified child care or transportation expenses" means:
- 29 (i) State regulated child care expenses that are incurred by a
30 business entity to enable a qualified employee with a disability to be gainfully
31 employed; or
- 32 (ii) Transportation expenses that are incurred by a business entity
33 to enable a qualified employee with a disability to travel to and from work.

1 (5) (i) "Qualified employee with a disability" means an individual who:

2 1. Meets the definition of an individual with a disability as
3 defined by the Americans with Disabilities Act;

4 2. Has a disability that presently constitutes an impediment
5 to obtaining or maintaining employment or to transitioning from school to work;

6 3. Is ready for employment; and

7 4. Has been certified by the [Division] DEPARTMENT OF
8 LABOR, LICENSING, AND REGULATION, IN CONSULTATION WITH THE DIVISION, as
9 having met the criteria of a qualified employee with a disability established under
10 this section.

11 (ii) "Qualified employee with a disability" includes [an]:

12 1. AN INDIVIDUAL WHO HAS BEEN CERTIFIED BY THE
13 DEPARTMENT OF LABOR, LICENSING, AND REGULATION, IN CONSULTATION WITH
14 THE UNITED STATES VETERANS ADMINISTRATION, AS HAVING BEEN DISCHARGED
15 OR RELEASED FROM ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES
16 FOR A SERVICE-CONNECTED DISABILITY; AND

17 2. ANY OTHER individual meeting the definition of
18 subparagraph (i) of this paragraph, whether or not the individual receives services
19 from the Division.

20 (6) "Wages" means wages, within the meaning of § 51(c)(1), (2), and (3) of
21 the Internal Revenue Code without regard to § 51(c)(4) of the Internal Revenue Code
22 that are paid by a business entity to an employee for services performed in a trade or
23 business of the employer.

24 (b) (1) Except as provided in subsection (e) of this section, a business entity
25 may claim a tax credit in the amounts determined under subsections (c) and (d) of this
26 section for the wages and qualified child care or transportation expenses with respect
27 to a qualified employee with a disability that are paid in the taxable year for which
28 the business entity claims the credit.

29 (2) The same tax credit cannot be applied more than once against
30 different taxes by the same taxpayer.

31 (c) For each taxable year, for the wages paid to each qualified employee with
32 a disability, a credit is allowed in an amount equal to:

33 (1) [20%] 30% of up to the first \$6,000 of the wages paid to the qualified
34 employee with a disability during the 1st year of employment; and

35 (2) 20% of up to the first \$6,000 of the wages paid to the qualified
36 employee with a disability during the 2nd year of employment.

1 (d) For each taxable year, for child care provided or paid for by a business
2 entity for the children of a qualified employee with a disability, or transportation
3 expenses that are incurred by a business entity to enable a qualified employee with a
4 disability to travel to and from work, a credit is allowed in an amount equal to:

5 (1) Up to \$600 of the qualified child care or transportation expenses
6 incurred for each qualified employee with a disability during the first year of
7 employment; and

8 (2) Up to \$500 of the qualified child care or transportation expenses
9 incurred for each qualified employee with a disability during the second year of
10 employment.

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

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

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

17 (2) A business entity may not claim the credit under this section until it
18 has notified the Division that a qualified employee with a disability has been hired.

19 (3) A business entity may claim a credit in the amount provided in
20 paragraph (5) of this subsection for an employee whose employment lasts less than 1
21 year if the employee:

22 (i) Voluntarily terminates employment with the employer;

23 (ii) Is unable to continue employment due to a further disability or
24 death; or

25 (iii) Is terminated for cause.

26 (4) A business entity may not claim the credit under this section if the
27 business entity is claiming a tax credit for the same employee under Article 88A, § 54
28 of the Code.

29 (5) (i) If a business entity is entitled to a tax credit for an employee
30 who is employed for less than 1 year because the employee voluntarily terminates
31 employment with the employer to take another job, the business entity may claim a
32 tax credit of [20%] 30% of up to the first \$6,000 of the wages paid to the employee
33 during the course of employment.

34 (ii) If a business entity is entitled to a tax credit for an employee
35 who is employed for less than 1 year for a reason other than that described in
36 subparagraph (i) of this paragraph, the amount of the credit shall be reduced by the
37 proportion of a year that the employee did not work.

1 (f) If the credit allowed under this section in any taxable year exceeds the
2 total tax otherwise payable by the business entity for that taxable year, a business
3 entity may apply the excess as a credit for succeeding taxable years until the earlier
4 of:

5 (1) The full amount of the excess is used; or

6 (2) The expiration of the 5th taxable year after the taxable year in which
7 the wages or qualified child care or transportation expenses for which the credit is
8 claimed are paid.

9 (g) If a credit is claimed under this section, the claimant must make the
10 addition required in § 10-205 or § 10-306 of the Tax - General Article.

11 (h) (1) Subject to the provisions of this subsection, the DEPARTMENT OF
12 LABOR, LICENSING, AND REGULATION, IN CONSULTATION WITH THE State
13 Department of Education shall adopt regulations necessary to carry out the
14 provisions of this section.

15 (2) The Comptroller shall adopt regulations to provide for the
16 computation and carryover of the credit under § 10-704.7 of the Tax - General Article.

17 (3) The Department of Assessments and Taxation shall adopt
18 regulations to provide for the computation and carryover of the credit under §§ 8-216
19 and 8-413 of the Tax - General Article.

20 (4) The Maryland Insurance Commissioner shall adopt regulations to
21 provide for the computation and carryover of the credit under § 6-115 of the
22 Insurance Article.

23 (i) The [State Department of Education] DEPARTMENT OF LABOR,
24 LICENSING, AND REGULATION shall report to the Governor, and, subject to § 2-1246
25 of the State Government Article, to the General Assembly, before January 15 of each
26 year on:

27 (1) Marketing activities for the credit under this section;

28 (2) The number of business entities who hired a qualified employee with
29 a disability during the preceding year;

30 (3) The number of qualified employees with disabilities:

31 (i) Hired in each business sector for the preceding year; and

32 (ii) Hired during the preceding year and employed for less than 1
33 year;

34 (4) A summary of the average hourly wages paid to qualified employees
35 with disabilities for the preceding year;

1 (5) The number and amount of credits claimed during the preceding
2 year; and

3 (6) The number and amount of credits claimed for child care or
4 transportation expenses, including a summary of the types of transportation expenses
5 incurred by business entities.

6 **Chapter 492 of the Acts of 1995, as amended by Chapter 10 of the Acts of 1996**
7 **and Chapters 598 and 599 of the Acts of 1998**

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 1995, and shall be applicable to all taxable years beginning after December 31,
10 1994 but before January 1, [2004] 2006; provided, however, that the tax credit under
11 Article 88A, § 54 of the Code, as enacted under Section 1 of this Act, shall be allowed
12 only for employees hired on or after June 1, 1995 but before July 1, [2001] 2003; and
13 provided further that any excess credits under Article 88A, § 54 of the Code may be
14 carried forward and, subject to the limitations under Article 88A, § 54 of the Code,
15 may be applied as a credit for taxable years beginning on or after January 1, [2004]
16 2006. Except as otherwise provided in this Section, this Act shall remain in effect for
17 a period of [6] 8 years and at the end of June 30, [2001] 2003, with no further action
18 required by the General Assembly, this Act shall be abrogated and of no further force
19 and effect.

20 **Chapter 379 of the Acts of 1996, as amended by Chapters 14 and 70 of the Acts**
21 **of 1997 and Chapters 598 and 599 of the Acts of 1998**

22 SECTION 3. AND BE IT FURTHER ENACTED, That:

23 (a) this Act shall be applicable to all taxable years beginning after December
24 31, 1995 [, but before January 1, 2004] TO WHICH CHAPTER 492 OF THE ACTS OF
25 1995, AS AMENDED, ARE APPLICABLE;

26 (b) the tax credit under § 6-105.1 of the Insurance Article shall be allowed
27 only for employees hired on or after June 1, 1995, but before [July 1, 2001] THE END
28 OF THE HIRING PERIOD SPECIFIED IN CHAPTER 492 OF THE ACTS OF 1995, AS
29 AMENDED; and

30 (c) any excess credits may be carried forward and, subject to the limitations of
31 Article 88A, § 54 of the Code, may be applied as a credit for [taxable years beginning
32 on or after January 1, 2004] FOR LATER TAXABLE YEARS AS PROVIDED IN CHAPTER
33 492 OF THE ACTS OF 1995, AS AMENDED.

34 **Chapter 379 of the Acts of 1996, as amended by Chapters 14 and 70 of the Acts**
35 **of 1997 and Chapters 598 and 599 of the Acts of 1998 and Chapter 34 of the**
36 **Acts of 1999**

37 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall remain in
38 effect [for a period of 5 years and at the end of June 30, 2001,] ONLY UNTIL THE
39 EXPIRATION OF CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED, AND WHEN

1 CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED, TERMINATES AND BECOMES OF NO
2 FURTHER FORCE AND EFFECT, with no further action required by the General
3 Assembly, this Act shall be abrogated and of no further force and effect.

4 **Chapter 626 of the Acts of 1996, as amended by Chapter 14 of the Acts of 1997**
5 **and Chapter 730 of the Acts of 1998**

6 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
7 be applicable to all taxable years beginning after December 31, 1995 to which
8 Chapter 492 of the Acts of 1995, as amended, are applicable; provided however, that:

9 (1) The tax credits allowed under Section 2 of this Act shall be allowed only for
10 employees hired during the period specified in Chapter 492 of the Acts of 1995, as
11 amended; and

12 (2) Any excess credits may be carried forward and, subject to the limitations of
13 Article 88A, § 54(f) of the Code, may be applied as a credit for later taxable years as
14 provided in Chapter 492 of the Acts of 1995, as amended.

15 **Chapter 626 of the Acts of 1996, as amended by Chapter 730 of the Acts of**
16 **1998**

17 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to Section 4 of
18 this Act, Section 2 of this Act shall remain in effect only until the expiration of
19 Chapter 492 of the Acts of 1995, as amended, and, when Chapter 492 of the Acts of
20 1995, as amended, terminates and becomes of no further force and effect, with no
21 further action required by the General Assembly, Section 2 of this Act shall be
22 abrogated and of no further force and effect.

23 **Chapter 112 of the Acts of 1997, as amended by Chapter 614 of the Acts of**
24 **1998**

25 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
26 Legislative Services, based on information provided by and in consultation with the
27 Department of Education, the Governor's Office for Individuals with Disabilities, the
28 Developmental Disabilities Administration, the Department of Assessments and
29 Taxation, and the Comptroller, shall conduct a study of the efficacy and effectiveness
30 of the tax credit program established under Section 1 of this Act in increasing the
31 employment and prospects for self-sufficiency of the target population, including an
32 analysis of the profile of employers having taken advantage of these tax credits in
33 hiring new employees, the cost effectiveness of the subsidy in reaching State goals,
34 and the appropriateness of the level of the tax credits. The study shall also include an
35 analysis of the potential effectiveness of the program based on varying the size,
36 duration, and structure of the subsidy. The Department shall complete and present
37 the results of the study to the Senate Budget and Taxation Committee and the House
38 Committee on Ways and Means by December 1, [2001] 2002.

39 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be
40 applicable to all taxable years beginning after December 31, 1996 but before January

1 1, [2005] 2006; provided, however, that the tax credit under § 21-309 of the Education
2 Article, as enacted under Section 1 of this Act, shall be allowed only for employees
3 hired on or after October 1, 1997 but before [January] JULY 1, 2003; and provided
4 further that any excess credits under § 21-309 of the Education Article may be
5 carried forward and, subject to the limitations under § 21-309 of the Education
6 Article, may be applied as a credit for taxable years beginning on or after January 1,
7 [2005] 2006.

8 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions
9 of Section 4 of this Act, this Act shall take effect October 1, 1997. It shall remain in
10 effect for a period of 5 years and [3] 9 months and at the end of [December 31, 2002]
11 JUNE 30, 2003, with no further action required by the General Assembly, this Act shall
12 be abrogated and of no further force and effect.

13 **Chapter 113 of the Acts of 1997, as amended by Chapter 614 of the Acts of**
14 **1998**

15 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
16 Legislative Services, based on information provided by and in consultation with the
17 Department of Education, the Governor's Office for Individuals with Disabilities, the
18 Developmental Disabilities Administration, the Department of Assessments and
19 Taxation, and the Comptroller, shall conduct a study of the efficacy and effectiveness
20 of the tax credit program established under Section 1 of this Act in increasing the
21 employment and prospects for self-sufficiency of the target population, including an
22 analysis of the profile of employers having taken advantage of these tax credits in
23 hiring new employees, the cost effectiveness of the subsidy in reaching State goals,
24 and the appropriateness of the level of the tax credits. The study shall also include an
25 analysis of the potential effectiveness of the program based on varying the size,
26 duration, and structure of the subsidy. The Department shall complete and present
27 the results of the study to the Senate Budget and Taxation Committee and the House
28 Committee on Ways and Means by December 1, [2001] 2002.

29 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be
30 applicable to all taxable years beginning after December 31, 1996 but before January
31 1, [2005] 2006; provided, however, that the tax credit under § 21-309 of the Education
32 Article, as enacted under Section 1 of this Act, shall be allowed only for employees
33 hired on or after October 1, 1997 but before [January] JULY 1, 2003; and provided
34 further that any excess credits under § 21-309 of the Education Article may be
35 carried forward and, subject to the limitations under § 21-309 of the Education
36 Article, may be applied as a credit for taxable years beginning on or after January 1,
37 [2005] 2006.

38 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions
39 of Section 4 of this Act, this Act shall take effect October 1, 1997. It shall remain in
40 effect for a period of 5 years and [3] 9 months and at the end of [December 31, 2002]
41 JUNE 30, 2003, with no further action required by the General Assembly, this Act shall
42 be abrogated and of no further force and effect.

1

Chapter 598 of the Acts of 1998

2 SECTION 2. AND BE IT FURTHER ENACTED, That:

3 (a) The Department of Legislative Services shall conduct a study of the
4 efficacy and effectiveness of the tax credit program established under this Act in
5 increasing the employment and prospects for self-sufficiency of the target population,
6 including an analysis of the profile of employers having taken advantage of these tax
7 credits in hiring new employees, cost effectiveness of the subsidy in reaching State
8 goals, and the appropriateness of the levels of the tax credits.

9 (b) In carrying out the study, the Department of Legislative Services shall
10 receive information from, and consult with, the Department of Human Resources, the
11 Department of Labor, Licensing, and Regulation, the Department of Assessments and
12 Taxation, the Comptroller, and appropriate representatives of private employers, and
13 shall review the data submitted under [subsection 54(i) of] Article 88A, § 54(j) of the
14 Code.

15 (c) The Department of Legislative Services shall complete and present the
16 result of the study to the Senate Budget and Taxation Committee and the House
17 Committee on Ways and Means by December 1, [2000] 2002.

18

Chapter 599 of the Acts of 1998

19 SECTION 2. AND BE IT FURTHER ENACTED, That:

20 (a) The Department of Legislative Services shall conduct a study of the
21 efficacy and effectiveness of the tax credit program established under this Act in
22 increasing the employment and prospects for self-sufficiency of the target population,
23 including an analysis of the profile of employers having taken advantage of these tax
24 credits in hiring new employees, cost effectiveness of the subsidy in reaching State
25 goals, and the appropriateness of the levels of the tax credits.

26 (b) In carrying out the study, the Department of Legislative Services shall
27 receive information from, and consult with, the Department of Human Resources, the
28 Department of Labor, Licensing, and Regulation, the Department of Assessments and
29 Taxation, the Comptroller, and appropriate representatives of private employers, and
30 shall review the data submitted under [subsection 54(i) of] Article 88A, § 54(j) of the
31 Code.

32 (c) The Department of Legislative Services shall complete and present the
33 result of the study to the Senate Budget and Taxation Committee and the House
34 Committee on Ways and Means by December 1, [2000] 2002.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 July 1, 2000, provided that the changes made under this Act to Article 88A, § 54 of the
37 Code and § 21-309 of the Education Article shall be applicable only with respect to
38 employees hired on or after July 1, 2000.