

SENATE BILL 674

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2000 Regular Session
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By: **Senators Currie and Middleton, Middleton, Madden, and McFadden**

Introduced and read first time: February 4, 2000

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 30, 2000

CHAPTER _____

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; making a technical correction;
14 providing for the application of this Act; and generally relating to certain tax
15 credits allowed to employers that hire certain qualified employment opportunity
16 employees or certain qualifying 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

- 1 (1999 Replacement Volume)
- 2 BY repealing and reenacting, with amendments,
3 Chapter 492 of the Acts of the General Assembly of 1995, as amended by
4 Chapter 10 of the Acts of the General Assembly of 1996 and Chapters 598
5 and 599 of the Acts of the General Assembly of 1998
6 Section 3
- 7 BY repealing and reenacting, with amendments,
8 Chapter 379 of the Acts of the General Assembly of 1996, as amended by
9 Chapters 14 and 70 of the Acts of the General Assembly of 1997 and
10 Chapters 598 and 599 of the Acts of the General Assembly of 1998
11 Section 3
- 12 BY repealing and reenacting, with amendments,
13 Chapter 379 of the Acts of the General Assembly of 1996, as amended by
14 Chapter 34 of the Acts of the General Assembly of 1999
15 Section 6
- 16 BY repealing and reenacting, without amendments,
17 Chapter 626 of the Acts of the General Assembly of 1996, as amended by
18 Chapter 14 of the Acts of the General Assembly of 1997 and Chapter 730 of
19 the Acts of the General Assembly of 1998
20 Section 4
- 21 BY repealing and reenacting, without amendments,
22 Chapter 626 of the Acts of the General Assembly of 1996, as amended by
23 Chapter 730 of the Acts of the General Assembly of 1998
24 Section 5
- 25 BY repealing and reenacting, with amendments,
26 Chapter 112 of the Acts of the General Assembly of 1997, as amended by
27 Chapter 614 of the Acts of the General Assembly of 1998
28 Section 3, 4, and 6
- 29 BY repealing and reenacting, with amendments,
30 Chapter 113 of the Acts of the General Assembly of 1997, as amended by
31 Chapter 614 of the Acts of the General Assembly of 1998
32 Section 3, 4, and 6
- 33 BY repealing and reenacting, with amendments,
34 Chapter 598 of the Acts of the General Assembly of 1998
35 Section 2
- 36 BY repealing and reenacting, with amendments,
37 Chapter 599 of the Acts of the General Assembly of 1998

1 Section 2

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

4 **Article 88A - Department of Human Resources**

5 54.

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

7 (2) "Business entity" means:

8 (i) A person conducting or operating a trade or business in
9 Maryland; or

10 (ii) An organization operating in Maryland that is exempt from
11 taxation under § 501(c)(3) or (4) of the Internal Revenue Code.

12 (3) "Qualified child care expenses" means State regulated child care
13 expenses that are incurred by a business entity to enable a qualified employment
14 opportunity employee of the business to be gainfully employed.

15 (4) (i) "Qualified employment opportunity employee" means an
16 individual who is a resident of Maryland and who for [three months] ANY ~~9~~ 3
17 MONTHS DURING THE 18 MONTH PERIOD before the individual's employment with a
18 business entity was a recipient of temporary cash assistance from the State under the
19 Aid to Families with Dependent Children Program or the Family Investment
20 Program and who for six months before the individual's employment with a business
21 entity was a Maryland resident.

22 (ii) "Qualified employment opportunity employee" does not include
23 an individual who is the spouse of, or has any of the relationships specified in § 152
24 (a)(1) through (8) of the Internal Revenue Code to, a person who controls, directly or
25 indirectly, more than 50% of the ownership of the business entity.

26 (5) "Transportation expenses" means expenses that are incurred by a
27 business entity to enable a qualified employment opportunity employee to travel to
28 and from work.

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

33 (b) (1) Except as provided in subsection (e) of this section, a business entity
34 may claim a tax credit in the amounts determined under subsections (c) and (d) of this
35 section for the wages and qualified child care or transportation expenses with respect
36 to a qualified employment opportunity employee that are paid in the taxable year for
37 which the business entity claims the credit.

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

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

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

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

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

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

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

24 (2) Up to \$500 of the qualified child care OR TRANSPORTATION expenses
25 incurred for each qualified employment opportunity employee during the second year
26 of employment.

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

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

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

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

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

1 (i) Voluntarily terminates employment with the employer;

2 (ii) Is unable to continue employment due to death or a disability;
3 or

4 (iii) Is terminated for cause.

5 (4) (i) If a business entity is entitled to a tax credit under paragraph
6 (c)(1) of this section for an employee who is employed for less than 1 year because the
7 employee voluntarily terminates employment with the employer to take another job,
8 the business entity may claim a tax credit of 30% of up to the first \$6,000 of the wages
9 paid to the employee during the course of employment.

10 (ii) If a business entity is entitled to a tax credit under paragraph
11 (c)(1) of this section for an employee who is employed for less than 1 year for a reason
12 other than that described in subparagraph (i) of this paragraph, the amount of the
13 credit shall be reduced by the proportion of a year that the employee did not work.

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

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

19 (2) The expiration of the fifth taxable year after the taxable year in
20 which the wages or qualified child care expenses for which the credit is claimed are
21 paid.

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

24 (h) The Comptroller in cooperation with the Department of Labor, Licensing,
25 and Regulation and the Department of Human Resources shall administer the credit
26 under this section.

27 (i) The Department of Labor, Licensing, and Regulation, the Department of
28 Human Resources, and the Comptroller shall report to the Governor and, subject to §
29 2-1246 of the State Government Article, to the General Assembly before January 15
30 of each year on:

31 (1) Marketing activities;

32 (2) The coordination of interagency activities;

33 (3) The number of business entities who hired employment opportunity
34 employees during the preceding year, including a separate account of the number of
35 organizations that are exempt from taxation under § 501(c)(3) or (4) of the Internal
36 Revenue Code;

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

19 **Article - Education**

20 21-309.

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

1 (ii) Transportation expenses that are incurred by a business entity
2 to enable a qualified employee with a disability to travel to and from work.

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

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

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

8 3. Is ready for employment; and

9 4. Has been ~~certified~~ DETERMINED by the ~~{Division}~~ OR
10 THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, IN CONSULTATION
11 WITH THE DIVISION, as having met the criteria of a qualified employee with a
12 disability established under this section.

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

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

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

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

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

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

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

35 (1) [20%] 30% of up to the first \$6,000 of the wages paid to the qualified
36 employee with a disability during the 1st year of employment; and

1 (2) 20% of up to the first \$6,000 of the wages paid to the qualified
2 employee with a disability during the 2nd year of employment.

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

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

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

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

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

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

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

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

24 (i) Voluntarily terminates employment with the employer;

25 (ii) Is unable to continue employment due to a further disability or
26 death; or

27 (iii) Is terminated for cause.

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

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

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

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

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

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

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

15 (h) (1) Subject to the provisions of this subsection, the DEPARTMENT OF
16 LABOR, LICENSING, AND REGULATION, ~~IN CONSULTATION WITH~~ AND THE State
17 Department of Education shall JOINTLY adopt regulations necessary to carry out the
18 provisions of this section.

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

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

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

27 (i) The [State Department of Education] DEPARTMENT OF LABOR,
28 LICENSING, AND REGULATION shall ADMINISTER THE TAX CREDIT AND report to the
29 Governor, and, subject to § 2-1246 of the State Government Article, to the General
30 Assembly, before January 15 of each year on:

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

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

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

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

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

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

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

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

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

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 1995, and shall be applicable to all taxable years beginning after December 31,
14 1994 but before January 1, [2004] 2006; provided, however, that the tax credit under
15 Article 88A, § 54 of the Code, as enacted under Section 1 of this Act, shall be allowed
16 only for employees hired on or after June 1, 1995 but before July 1, [2001] 2003; and
17 provided further that any excess credits under Article 88A, § 54 of the Code may be
18 carried forward and, subject to the limitations under Article 88A, § 54 of the Code,
19 may be applied as a credit for taxable years beginning on or after January 1, [2004]
20 2006. Except as otherwise provided in this Section, this Act shall remain in effect for
21 a period of [6] 8 years and at the end of June 30, [2001] 2003, with no further action
22 required by the General Assembly, this Act shall be abrogated and of no further force
23 and effect.

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

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

27 (a) this Act shall be applicable to all taxable years beginning after December
28 31, 1995 [, but before January 1, 2004] TO WHICH CHAPTER 492 OF THE ACTS OF
29 1995, AS AMENDED, ARE APPLICABLE;

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

34 (c) any excess credits may be carried forward and, subject to the limitations of
35 Article 88A, § 54 of the Code, may be applied as a credit for [taxable years beginning
36 on or after January 1, 2004] FOR LATER TAXABLE YEARS AS PROVIDED IN CHAPTER
37 492 OF THE ACTS OF 1995, AS AMENDED.

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

4 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall remain in
5 effect [for a period of 5 years and at the end of June 30, 2001,] ONLY UNTIL THE
6 EXPIRATION OF CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED, AND WHEN
7 CHAPTER 492 OF THE ACTS OF 1995, AS AMENDED, TERMINATES AND BECOMES OF NO
8 FURTHER FORCE AND EFFECT, with no further action required by the General
9 Assembly, this Act shall be abrogated and of no further force and effect.

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

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

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

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

21 **Chapter 626 of the Acts of 1996, as amended by Chapter 730 of the Acts of**
22 **1998**

23 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to Section 4 of
24 this Act, Section 2 of this Act shall remain in effect only until the expiration of
25 Chapter 492 of the Acts of 1995, as amended, and, when Chapter 492 of the Acts of
26 1995, as amended, terminates and becomes of no further force and effect, with no
27 further action required by the General Assembly, Section 2 of this Act shall be
28 abrogated and of no further force and effect.

29 **Chapter 112 of the Acts of 1997, as amended by Chapter 614 of the Acts of**
30 **1998**

31 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
32 Legislative Services, based on information provided by and in consultation with the
33 Department of Education, the Governor's Office for Individuals with Disabilities, the
34 Developmental Disabilities Administration, the Department of Assessments and
35 Taxation, and the Comptroller, shall conduct a study of the efficacy and effectiveness
36 of the tax credit program established under Section 1 of this Act in increasing the
37 employment and prospects for self-sufficiency of the target population, including an
38 analysis of the profile of employers having taken advantage of these tax credits in
39 hiring new employees, the cost effectiveness of the subsidy in reaching State goals,
40 and the appropriateness of the level of the tax credits. The study shall also include an

1 analysis of the potential effectiveness of the program based on varying the size,
2 duration, and structure of the subsidy. The Department shall complete and present
3 the results of the study to the Senate Budget and Taxation Committee and the House
4 Committee on Ways and Means by December 1, [2001] 2002.

5 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be
6 applicable to all taxable years beginning after December 31, 1996 but before January
7 1, [2005] 2006; provided, however, that the tax credit under § 21-309 of the Education
8 Article, as enacted under Section 1 of this Act, shall be allowed only for employees
9 hired on or after October 1, 1997 but before [January] JULY 1, 2003; and provided
10 further that any excess credits under § 21-309 of the Education Article may be
11 carried forward and, subject to the limitations under § 21-309 of the Education
12 Article, may be applied as a credit for taxable years beginning on or after January 1,
13 [2005] 2006.

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

19 **Chapter 113 of the Acts of 1997, as amended by Chapter 614 of the Acts of**
20 **1998**

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

35 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be
36 applicable to all taxable years beginning after December 31, 1996 but before January
37 1, [2005] 2006; provided, however, that the tax credit under § 21-309 of the Education
38 Article, as enacted under Section 1 of this Act, shall be allowed only for employees
39 hired on or after October 1, 1997 but before [January] JULY 1, 2003; and provided
40 further that any excess credits under § 21-309 of the Education Article may be
41 carried forward and, subject to the limitations under § 21-309 of the Education
42 Article, may be applied as a credit for taxable years beginning on or after January 1,
43 [2005] 2006.

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

6

Chapter 598 of the Acts of 1998

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

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

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

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

23

Chapter 599 of the Acts of 1998

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

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

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

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

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