

SENATE BILL 613

Unofficial Copy
Q3

2001 Regular Session
(11r2388)

ENROLLED BILL
-- Budget and Taxation/Ways and Means --

Introduced by **Senators DeGrange and Middleton**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Tax Credit for Employer-Established Paid Work-Based Learning Programs**

3 FOR the purpose of ~~authorizing certain persons to establish certain approved paid~~
4 ~~work-based learning programs under which arrangements are made between~~
5 ~~schools and employers to provide youths certain structured~~
6 ~~employer supervised learning; allowing a credit against the State income tax~~
7 ~~for certain wages paid to each youth under an approved paid work-based~~
8 ~~learning program; providing for calculation of the credit; providing for the~~
9 ~~carrying forward of the credit if the credit exceeds the total tax otherwise~~
10 ~~payable for a taxable year; providing for the termination of the credit after a~~
11 ~~certain taxable year; requiring a certain study be done and provided to certain~~
12 ~~committees of the General Assembly on or before a certain date; providing for~~
13 ~~the application of this Act; providing for the termination of this Act; and~~
14 ~~generally relating to the establishment of approved paid work-based learning~~
15 ~~programs and a credit against the State income tax for certain wages paid to~~
16 ~~each youth pursuant to an approved paid work-based learning program~~
17 extending the termination date of a certain tax credit program for approved paid

1 work-based learning programs for students; extending the deadline for a certain
 2 report by the State Department of Education concerning the tax credit; and
 3 generally relating to a tax credit for certain wages paid pursuant to approved
 4 paid work-based learning programs.

5 ~~BY adding to~~

6 ~~Article - Education~~

7 ~~Section 21-601 to be under the new subtitle "Subtitle 6. Employer Established~~

8 ~~Paid Work Based Learning Programs"~~

9 ~~Annotated Code of Maryland~~

10 ~~(1999 Replacement Volume and 2000 Supplement)~~

11 ~~BY adding to~~

12 ~~Article - Tax - General~~

13 ~~Section 10-722~~

14 ~~Annotated Code of Maryland~~

15 ~~(1997 Replacement Volume and 2000 Supplement)~~

16 BY repealing and reenacting, with amendments,

17 Chapter 660 of the Acts of the General Assembly of 1998

18 Section 2 and 3

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

21 **~~Article - Education~~**

22 **~~SUBTITLE 6. EMPLOYER ESTABLISHED PAID WORK BASED LEARNING PROGRAMS.~~**

23 ~~21-601.~~

24 (A) (1) ~~IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 25 ~~INDICATED.~~

26 (2) ~~"ELIGIBLE PARTY" MEANS:~~

27 (I) ~~AN EMPLOYER ENGAGED IN ANY ASPECT OF THE~~
 28 ~~CONSTRUCTION INDUSTRY;~~

29 (II) ~~ANY INDUSTRY TRADE ASSOCIATION, LABOR ORGANIZATION,~~
 30 ~~OR OPERATOR OF A REGISTERED APPRENTICESHIP PROGRAM ASSOCIATED WITH~~
 31 ~~THE CONSTRUCTION INDUSTRY; OR~~

32 (III) ~~ANY OTHER ENTITY THAT THE DEPARTMENT APPROVES TO~~
 33 ~~ESTABLISH A PAID WORK BASED LEARNING PROGRAM UNDER THIS SECTION.~~

34 (3) ~~"YOUTH" MEANS AN INDIVIDUAL WHO:~~

1 (I) IS AT LEAST 16 YEARS OLD BUT YOUNGER THAN THE AGE OF 23
2 YEARS; OR

3 (II) REACHES THE AGE OF 23 YEARS WHILE PARTICIPATING IN AN
4 APPROVED PAID WORK BASED LEARNING PROGRAM UNDER THIS SECTION.

5 (B) (1) AN ELIGIBLE PARTY MAY ESTABLISH A PAID WORK BASED
6 LEARNING PROGRAM FOR YOUTHS THAT IS CONSISTENT WITH CURRENT STATE AND
7 FEDERAL EMPLOYMENT OF MINORS LAWS AND APPROVED BY THE DEPARTMENT AS
8 PROVIDED UNDER THIS SECTION.

9 (2) A WORK BASED LEARNING PROGRAM SHALL PROVIDE FOR
10 APPROVED PAID WORK BASED LEARNING ARRANGEMENTS BETWEEN EMPLOYERS
11 AND SCHOOLS TO PROVIDE YOUTHS WITH STRUCTURED EMPLOYER SUPERVISED
12 LEARNING THAT:

13 (I) OCCURS IN THE WORKPLACE IN CONFORMANCE WITH
14 ESTABLISHED SAFETY STANDARDS;

15 (II) INTEGRATES WITH CLASSROOM INSTRUCTION TO RESULT IN
16 THE ACQUISITION OF AT LEAST ONE UNIT OF ACADEMIC CREDIT; AND

17 (III) LINKS TO EACH YOUTH'S CAREER INTEREST.

18 (3) AN APPROVED PAID WORK BASED LEARNING PROGRAM FOR
19 YOUTHS SHALL BE SET FORTH IN WRITING AND SHALL INCLUDE:

20 (I) A DESCRIPTION OF THE KNOWLEDGE AND SKILLS TO BE
21 DEVELOPED;

22 (II) A DESCRIPTION OF THE METHODOLOGY TO BE USED;

23 (III) A DESCRIPTION OF THE CRITERIA FOR MONITORING,
24 ASSESSING, AND CREDENTIALING; AND

25 (IV) EVIDENCE OF APPROVAL BY APPROPRIATE SCHOOL
26 PERSONNEL.

27 (4) THE PROGRAM SHALL:

28 (I) PROVIDE APPROVED PAID WORK BASED LEARNING
29 EXPERIENCES FOR YOUTHS THAT ARE CONSISTENT WITH THE STRATEGIC
30 ECONOMIC DEVELOPMENT GOALS ESTABLISHED FOR THE STATE; AND

31 (II) STRIVE TO ACHIEVE A GEOGRAPHIC, GENDER, AND ETHNIC
32 REPRESENTATION OF YOUTHS PARTICIPATING IN PAID WORK BASED LEARNING
33 EXPERIENCES.

34 (C) (1) IN ORDER FOR AN EMPLOYER TO BE ELIGIBLE TO CLAIM A TAX
35 CREDIT, EACH YOUTH MUST BE EMPLOYED BY THE EMPLOYER FOR 200 HOURS OR
36 MORE.

1 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the State Department of~~
 2 ~~Education shall evaluate the effectiveness of the tax credit provided under this Act.~~
 3 ~~The Department shall include in this study the number of businesses qualifying for~~
 4 ~~the tax credits, the types of businesses qualifying for the credits, and the amount of~~
 5 ~~credits granted. The Department shall report its findings to the Senate Budget and~~
 6 ~~Taxation Committee and the House Committee on Ways and Means on or before~~
 7 ~~November 1, 2003.~~

8 ~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall remain~~
 9 ~~effective for 3 years and, at the end of June 30, 2004, with no further action required~~
 10 ~~by the General Assembly, this Act shall be abrogated and of no further force and~~
 11 ~~effect; provided, that any excess credits may be carried forward and, subject to the~~
 12 ~~limitations of § 21-601 of the Education Article, may be applied as credit for taxable~~
 13 ~~years beginning on or after January 1, 2004.~~

14

Chapter 660 of the Acts of 1998

15 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the State Department of~~
 16 ~~Education shall evaluate the effectiveness of the tax credit provided under this Act. The~~
 17 ~~Department shall include in this study the number of businesses qualifying for the tax~~
 18 ~~credits, the types of businesses qualifying for the credits, and the amount of credits~~
 19 ~~granted. The Department shall report its findings to the Senate Budget and Taxation~~
 20 ~~Committee and the House Committee on Ways and Means on or before November 1,~~
 21 ~~[2000] 2003.~~

22 ~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall remain~~
 23 ~~effective for [3] 6 years and, at the end of June 30, [2001] 2004, with no further~~
 24 ~~action required by the General Assembly, this Act shall be abrogated and of no further~~
 25 ~~force and effect; provided, that any excess credits may be carried forward and, subject~~
 26 ~~to the limitations of § 21-501 of the Education Article, may be applied as credit for~~
 27 ~~taxable years beginning on or after January 1, [2001] 2004.~~

28 ~~SECTION 4. 2. AND BE IT FURTHER ENACTED, That this Act shall take~~
 29 ~~effect July 1, 2001 and shall be applicable to all taxable years beginning after~~
 30 ~~December 31, 2001 June 1, 2001.~~