

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 1166

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, after “Cryor,” insert “Pitkin, Hecht.”; in line 2, before “Tax” insert “Teleworker”; in the same line, strike “for Costs of Providing Teleworker Benefits to Employees” and substitute “Pilot Program”; in line 3, after “of” insert “establishing a Teleworker Tax Credit Pilot Program in Frederick County, Montgomery County, and Prince George’s County;”; in line 5, strike “providing for the maximum amount of credit per year per employee” and substitute “limiting the credit allowed for any taxable year for each eligible taxpayer to a certain maximum amount approved by the Secretary of Transportation; providing for applications to the Secretary for approval of the credit and certification by the Secretary to applicants of maximum approved credit amounts; limiting the total amount of credits that the Secretary may approve in any year; requiring the Secretary to approve the credit on a certain basis if the total amount applied for exceeds a certain maximum; requiring the Secretary to submit a certain annual report to the Comptroller and the General Assembly regarding applications for the credit and approval of the tax credit; requiring the Secretary to adopt certain regulations; providing for the termination of this Act”; in line 7, after “to” insert “a pilot program for”; in line 11, before “Tax” insert “Teleworker”; in the same line, strike “Credits” and substitute “Credit”; in line 12, strike “for Employer-Provided Teleworker Benefits” and substitute “Pilot Program”.

On page 2, in line 17, strike “TAX CREDITS FOR EMPLOYER-PROVIDED TELEWORKER BENEFITS” and substitute “TELEWORKER TAX CREDIT PILOT PROGRAM”.

AMENDMENT NO. 2

On page 2, in line 21, after “MEANS” insert “AN EMPLOYER WHO”; strike beginning with the first “A” in line 22 down through “; OR” in line 23 and substitute “MAINTAINS AT LEAST ONE PHYSICAL LOCATION IN FREDERICK COUNTY, MONTGOMERY COUNTY, OR PRINCE GEORGE’S COUNTY; AND”; strike beginning with “AN” in line 24 down through “CODE” in line 25 and substitute “HAS A TOTAL WORKFORCE OF AT LEAST”.

(Over)

20 EMPLOYEES”;

and after line 29 insert:

“THERE IS A TELEWORKER TAX CREDIT PILOT PROGRAM IN FREDERICK COUNTY, MONTGOMERY COUNTY, AND PRINCE GEORGE’S COUNTY.

2-703.”.

AMENDMENT NO. 3

On page 2, in line 33, after “TO” insert “THE LESSER OF”.

On page 3, strike in their entirety lines 1 through 17, inclusive, and substitute:

“(I) 10% OF THE ELIGIBLE COSTS OF A BUSINESS ENTITY FOR THE TAXABLE YEAR; OR

(II) \$10,000.”.

On page 3, in line 21, strike “OR”; in line 22, strike “AN EMPLOYEE WHO TELEWORKS LESS THAN 2 DAYS A MONTH” and substitute “EQUIPMENT THAT IS USED FOR FEWER THAN 45 DAYS PER CALENDAR YEAR; OR

(3) EQUIPMENT THAT IS NOT USED FOR A HOME-BASED BUSINESS.

(D) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE TAX LIABILITY OF THE TAXPAYER AND MAY NOT BE CARRIED FORWARD TO A SUCCEEDING YEAR.

(E) (1) ON OR BEFORE OCTOBER 1 OF EACH YEAR, A BUSINESS ENTITY MAY SUBMIT AN APPLICATION TO THE SECRETARY FOR APPROVAL OF THE CREDIT FOR A TAXABLE YEAR THAT BEGINS IN THE NEXT CALENDAR YEAR.

(2) (I) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE SECRETARY EACH YEAR UNDER THIS SECTION MAY NOT EXCEED \$250,000.

(II) IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL BUSINESS ENTITIES EXCEEDS THE MAXIMUM SPECIFIED IN SUBPARAGRAPH (I) OF

THIS PARAGRAPH, THE SECRETARY SHALL APPROVE A CREDIT UNDER THIS SECTION IN THE ORDER IN WHICH REQUESTS WERE RECEIVED.

(3) ON OR BEFORE NOVEMBER 15 OF EACH YEAR, THE SECRETARY SHALL CERTIFY TO EACH BUSINESS ENTITY THE MAXIMUM AMOUNT OF THE CREDIT APPROVED FOR THE BUSINESS ENTITY UNDER THIS SECTION FOR THE TAXABLE YEAR THAT BEGINS IN THE NEXT CALENDAR YEAR.

(4) TO CLAIM THE CREDIT UNDER THIS SECTION, A BUSINESS ENTITY SHALL ATTACH A COPY OF THE SECRETARY'S CERTIFICATION OF THE MAXIMUM APPROVED CREDIT AMOUNT TO THE ELIGIBLE TAXPAYER'S INCOME TAX RETURN.

(F) ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE SECRETARY SHALL SUBMIT TO THE COMPTROLLER AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF DELEGATES A REPORT ON THE TAX CREDIT APPROVED UNDER THIS SECTION FOR THE TAXABLE YEAR THAT BEGINS IN THE NEXT CALENDAR YEAR, INCLUDING:

(1) THE TOTAL NUMBER OF BUSINESS ENTITIES THAT APPLIED FOR TAX CREDITS AND THE TOTAL NUMBER OF BUSINESS ENTITIES APPROVED;

(2) THE TOTAL TAX CREDITS SOUGHT BY ALL BUSINESS ENTITIES AND THE TOTAL MAXIMUM AMOUNT OF CREDIT APPROVED BY THE SECRETARY FOR ALL BUSINESS ENTITIES; AND

(3) FOR EACH BUSINESS ENTITY APPROVED:

(I) THE NAME AND PHYSICAL LOCATION OF THE BUSINESS ENTITY IN THE STATE;

(II) THE NUMBER OF EMPLOYEES THAT WOULD BE PERFORMING SERVICES FOR THE BUSINESS ENTITY UNDER A TELEWORKING ARRANGEMENT AND FOR WHOM THE BUSINESS ENTITY IS SEEKING THE CREDIT;

(Over)

(III) THE TOTAL QUALIFIED TELEWORK EXPENSES WITH RESPECT TO EACH EMPLOYEE PERFORMING SERVICES FOR THE BUSINESS ENTITY UNDER A TELEWORKING ARRANGEMENT; AND

(IV) THE MAXIMUM AMOUNT OF THE CREDIT SOUGHT BY A BUSINESS ENTITY AND THE MAXIMUM AMOUNT OF THE CREDIT APPROVED FOR EACH BUSINESS ENTITY.

(G) THE SECRETARY SHALL ADOPT REGULATIONS NECESSARY TO ADMINISTER THIS SECTION”.

AMENDMENT NO. 4

On page 3, in line 31, after “2002.” insert “It shall remain effective for a period of 5 years and, at the end of June 30, 2007, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.