

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 529

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “not” in line 7 down through “credit;” in line 9 and substitute “be refundable under certain circumstances; providing for the issuance of certain initial credit certificates by the State Superintendent of Schools, subject to certain requirements and limitations, for certain fiscal years; providing certain limits on the amount of credits that can be claimed; requiring the State Superintendent to issue final credit certificates under certain circumstances; establishing the Adult Literacy Services Tax Credit Reserve Fund; limiting the credit amounts in the aggregate for which the State Superintendent may issue initial credit certificates for any fiscal year; authorizing the Governor to include certain appropriations to a certain fund in the annual budget bill for certain fiscal years; requiring the Comptroller to transfer certain amounts from a certain fund to the General Fund under certain circumstances; requiring the State Superintendent to submit certain reports; requiring the State Superintendent to adopt certain regulations;”.

AMENDMENT NO. 2

On page 2, after line 8, insert:

“(5) “STATE SUPERINTENDENT” MEANS THE STATE SUPERINTENDENT OF SCHOOLS.

“(6) “TAX CREDIT” MEANS THE ADULT LITERACY SERVICES TAX CREDITS AUTHORIZED UNDER THIS SECTION.”;

in line 9, strike “SUBSECTION (C)” and substitute “SUBSECTIONS (C) AND (D)”; and in line 11, strike “50% OF THE COST OF INSTRUCTION” and substitute “THE FINAL CREDIT CERTIFICATE APPROVED BY THE STATE SUPERINTENDENT”.

AMENDMENT NO. 3

(Over)

On page 2, strike in their entirety lines 17 through 27, inclusive, and substitute:

“(C) (1) IN THIS SUBSECTION, “RESERVE FUND” MEANS THE ADULT LITERACY SERVICES TAX CREDIT RESERVE FUND ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(2) (I) THERE IS AN ADULT LITERACY SERVICES TAX CREDIT RESERVE FUND WHICH IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(II) THE MONEY IN THE FUND SHALL BE INVESTED AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL BE CREDITED TO THE GENERAL FUND.

(3) (I) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE STATE SUPERINTENDENT SHALL ISSUE AN INITIAL CREDIT CERTIFICATE FOR EACH BUSINESS ENTITY FOR WHICH TAX CREDITS ARE APPROVED.

(II) AN INITIAL CREDIT CERTIFICATE ISSUED UNDER THIS SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF CREDIT UNDER THIS SECTION FOR WHICH THE BUSINESS ENTITY MAY QUALIFY.

(III) 1. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBPARAGRAPH, FOR ANY FISCAL YEAR, THE STATE SUPERINTENDENT MAY NOT ISSUE INITIAL CREDIT CERTIFICATES FOR CREDIT AMOUNTS IN THE AGGREGATE TOTALING MORE THAN THE SUM OF:

A. THE LESSER OF \$2,000,000 OR THE AMOUNT APPROPRIATED TO THE RESERVE FUND FOR THAT FISCAL YEAR IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY; AND

B. ANY BALANCE CARRIED FORWARD FROM THE PREVIOUS FISCAL YEAR.

2. IF THE AGGREGATE CREDIT AMOUNTS UNDER INITIAL CREDIT CERTIFICATES ISSUED IN A FISCAL YEAR ARE LESS THAN \$2,000,000 AND ARE LESS THAN THE AMOUNT APPROPRIATED TO THE RESERVE FUND FOR THAT FISCAL YEAR, ANY EXCESS AMOUNT SHALL REMAIN IN THE RESERVE FUND

AND MAY BE ISSUED UNDER INITIAL CREDIT CERTIFICATES FOR THE NEXT FISCAL YEAR.

3. FOR ANY FISCAL YEAR, IF FUNDS ARE TRANSFERRED FROM THE RESERVE FUND UNDER THE AUTHORITY OF ANY PROVISION OF LAW OTHER THAN PARAGRAPH (5) OF THIS SUBSECTION, THE MAXIMUM CREDIT AMOUNTS IN THE AGGREGATE FOR WHICH THE STATE SUPERINTENDENT MAY ISSUE INITIAL CREDIT CERTIFICATES SHALL BE REDUCED BY THE AMOUNT TRANSFERRED.

(IV) FOR EACH OF FISCAL YEARS 2007, 2008, AND 2009, THE GOVERNOR MAY INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE RESERVE FUND.

(V) NOTWITHSTANDING THE PROVISIONS OF § 7-213 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR MAY NOT REDUCE AN APPROPRIATION TO THE RESERVE FUND IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY.

(VI) THE STATE SUPERINTENDENT MAY NOT ISSUE AN INITIAL CREDIT CERTIFICATE FOR ANY FISCAL YEAR AFTER FISCAL YEAR 2009.

(4) BASED ON ACTUAL EXPENDITURES FOR THE COST OF INSTRUCTION FOR ADULT LITERACY SERVICES, THE STATE SUPERINTENDENT SHALL ISSUE A FINAL CERTIFIED CREDIT TO THE BUSINESS ENTITY.

(5) (I) EXCEPT AS PROVIDED IN THIS PARAGRAPH, MONEY APPROPRIATED TO THE RESERVE FUND SHALL REMAIN IN THE FUND.

(II) 1. WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR QUARTER, THE STATE SUPERINTENDENT SHALL NOTIFY THE COMPTROLLER AS TO EACH TAX CREDIT CERTIFIED DURING THE QUARTER:

A. THE MAXIMUM CREDIT AMOUNT STATED IN THE

(Over)

INITIAL CREDIT CERTIFICATE FOR THE BUSINESS ENTITY; AND

B. THE FINAL CERTIFIED CREDIT AMOUNT FOR THE BUSINESS ENTITY.

2. ON NOTIFICATION THAT A BUSINESS ENTITY HAS RECEIVED FINAL CERTIFICATION, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL TO THE CREDIT AMOUNT STATED IN THE FINAL CREDIT CERTIFICATE FOR THE BUSINESS ENTITY FROM THE RESERVE FUND TO THE GENERAL FUND.

(D) (1) SUBJECT TO THE PROVISIONS OF THIS SECTION, EACH FISCAL YEAR THE STATE SUPERINTENDENT SHALL CERTIFY TAX CREDITS TO BE AWARDED TO BUSINESS ENTITIES FOR THE COST OF INSTRUCTION FOR ADULT LITERACY SERVICES.

(2) BETWEEN APRIL 1 AND OCTOBER 31 OF EACH YEAR, THE STATE SUPERINTENDENT MAY ACCEPT APPLICATIONS FOR A TAX CREDIT FOR THE FISCAL YEAR THAT BEGINS JULY 1 OF THAT YEAR.

(3) NOT MORE THAN 50% OF THE MAXIMUM AMOUNT OF TAX CREDITS CERTIFIED BY THE STATE SUPERINTENDENT FOR ANY FISCAL YEAR MAY BE ISSUED FOR ADULT LITERACY SERVICES PROVIDED IN A SINGLE COUNTY OR BALTIMORE CITY.

(4) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE STATE SUPERINTENDENT SHALL APPROVE CREDITS UNDER THIS SECTION BASED ON NEED AND PERFORMANCE.

(5) BETWEEN JULY 1 AND DECEMBER 31 OF EACH YEAR, THE STATE SUPERINTENDENT SHALL ISSUE AN INITIAL CREDIT CERTIFICATE FOR EACH BUSINESS ENTITY FOR WHICH A TAX CREDIT IS APPROVED FOR THE FISCAL YEAR THAT BEGINS ON JULY 1 OF THAT YEAR.

(6) TO CLAIM A TAX CREDIT UNDER THIS SECTION, A BUSINESS

ENTITY SHALL ATTACH A COPY OF THE STATE SUPERINTENDENT'S CERTIFICATION OF THE TAX CREDIT TO THE BUSINESS ENTITY'S INCOME TAX RETURN.

(7) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY A BUSINESS ENTITY FOR THAT TAXABLE YEAR, THE BUSINESS ENTITY MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

(8) FOR EACH BUSINESS ENTITY, THE TAX CREDIT CERTIFIED BY THE STATE SUPERINTENDENT IN A FISCAL YEAR MAY NOT EXCEED THE LESSER OF:

(I) 35% OF THE COST OF INSTRUCTION FOR ADULT LITERACY SERVICES PROVIDED TO EMPLOYEES DURING THE FISCAL YEAR;

(II) \$150 TIMES THE NUMBER OF EMPLOYEES RECEIVING ADULT LITERACY SERVICES; OR

(III) \$25,000.

(E) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE STATE SUPERINTENDENT SHALL SUBMIT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT ON THE TAX CREDITS CERTIFIED UNDER THIS SECTION FOR THE PREVIOUS FISCAL YEAR, INCLUDING:

(1) THE TOTAL NUMBER OF BUSINESS ENTITIES THAT APPLIED FOR THE TAX CREDITS UNDER THIS SECTION AND THE TOTAL NUMBER OF BUSINESS ENTITIES CERTIFIED; AND

(2) THE NAME AND PHYSICAL LOCATION OF EACH BUSINESS ENTITY APPROVED FOR THE TAX CREDITS AND THE NUMBER OF EMPLOYEES RECEIVING ADULT LITERACY SERVICES.

(F) THE STATE SUPERINTENDENT SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.”.