

ENROLLED BILL

-- *Economic Matters and Ways and Means/Finance* --

Introduced by **Delegates Brown, Cadden, and ~~Minniek~~ Minnick, Burns, Conroy, D. Davis, Doory, Feldman, Haddaway, Harrison, Impallaria, Jameson, Kirk, Krebs, Krysiak, Love, McHale, Miller, Moe, Parrott, Taylor, Trueschler, Vaughn, Walkup, and Wood**

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.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Aid to Service-Disabled Veterans and Military Reservists or National Guard**
3 **Personnel Called to Active Duty**

4 FOR the purpose of requiring the Department of Business and Economic
5 Development, *subject to the availability of funds and* in consultation with the
6 Department of Veterans Affairs, to establish a program to provide no-interest
7 loans for certain purposes to certain service-disabled veterans and certain
8 businesses owned by or employing military reservists or National Guard
9 personnel called to active duty; requiring the Department of Business and
10 Economic Development to administer the loans; requiring the Department of
11 Veterans Affairs to establish certain eligibility and priority criteria for the loan
12 program; limiting the period during which certain loans may be made; requiring
13 and authorizing the adoption of certain regulations to carry out this Act;
14 ~~allowing a credit against the State income tax for certain compensation paid to~~

1 ~~certain employees hired to replace military reservists or National Guard~~
 2 ~~personnel called to active duty under certain circumstances; providing that~~
 3 ~~certain excess credit may be carried forward and used in certain taxable years~~
 4 ~~under certain circumstances; defining certain terms; providing for the~~
 5 ~~application of this Act; and generally relating to benefits for service-disabled~~
 6 ~~veterans and businesses owned by or employing military reservists and~~
 7 ~~National Guard personnel called to active duty.~~

8 BY adding to
 9 Article 83A - Department of Business and Economic Development
 10 Section 6-901 to be under the new subtitle "Subtitle 9. Military Reservists and
 11 Service-Related No-Interest Loan Program"
 12 Annotated Code of Maryland
 13 (2003 Replacement Volume and 2005 Supplement)

14 ~~BY adding to~~
 15 ~~Article Tax General~~
 16 ~~Section 10-726~~
 17 ~~Annotated Code of Maryland~~
 18 ~~(2004 Replacement Volume and 2005 Supplement)~~

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

21 **Article 83A - Department of Business and Economic Development**

22 **SUBTITLE 9. MILITARY RESERVISTS AND SERVICE-RELATED NO-INTEREST LOAN**
 23 **PROGRAM.**

24 6-901.

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

27 (2) "SERVICE-DISABLED VETERAN" MEANS A VETERAN WITH A
 28 DISABILITY THAT IS SERVICE CONNECTED, AS DEFINED IN 38 U.S.C. § 101(16), WHO
 29 WAS DOMICILED IN MARYLAND WHEN THE SERVICE CONNECTED DISABILITY WAS
 30 INCURRED.

31 (3) (I) "SMALL BUSINESS EMPLOYER" MEANS AN EMPLOYER WHO
 32 EMPLOYED AN AVERAGE OF 50 OR FEWER EMPLOYEES ON BUSINESS DAYS DURING
 33 THE CALENDAR YEAR PRECEDING THE DETERMINATION OF ELIGIBILITY FOR A LOAN
 34 UNDER THIS SECTION.

35 (II) FOR PURPOSES OF SUBPARAGRAPH (I) OF THIS PARAGRAPH,
 36 ALL PERSONS TREATED AS A SINGLE EMPLOYER UNDER § 414(B), (C), (M), OR (O) OF
 37 THE INTERNAL REVENUE CODE SHALL BE TREATED AS A SINGLE EMPLOYER.

1 (B) SUBJECT TO THE AVAILABILITY OF FUNDS, THE DEPARTMENT, IN
2 CONSULTATION WITH THE DEPARTMENT OF VETERANS AFFAIRS, SHALL ESTABLISH
3 A PROGRAM TO PROVIDE NO-INTEREST LOANS UNDER THIS SECTION TO:

4 (1) SMALL BUSINESS EMPLOYERS OF MILITARY RESERVISTS AND
5 NATIONAL GUARD PERSONNEL CALLED TO ACTIVE DUTY;

6 (2) BUSINESSES OWNED BY MILITARY RESERVISTS AND NATIONAL
7 GUARD PERSONNEL CALLED TO ACTIVE DUTY; AND

8 (3) SERVICE-DISABLED VETERANS.

9 (C) LOANS SHALL BE MADE UNDER THIS SECTION FOR THE PURPOSES OF:

10 (1) PROVIDING FINANCIAL SUPPORT TO:

11 (I) A BUSINESS OWNED BY A MILITARY RESERVIST OR NATIONAL
12 GUARD MEMBER WHO IS CALLED TO ACTIVE DUTY; OR

13 (II) A SMALL BUSINESS EMPLOYER OF A MILITARY RESERVIST OR
14 NATIONAL GUARD MEMBER WHO IS CALLED TO ACTIVE DUTY; ~~AND~~

15 (2) MAKING THE HOME, AUTOMOBILE, OR PLACE OF EMPLOYMENT OF A
16 SERVICE-DISABLED VETERAN ACCESSIBLE TO INDIVIDUALS WITH DISABILITIES,
17 INCLUDING PURCHASING EQUIPMENT NECESSARY TO ENABLE A BUSINESS TO
18 EMPLOY A SERVICE-DISABLED VETERAN; AND

19 (3) DEFRAYING OTHER NECESSARY EXPENSES, AS DETERMINED BY THE
20 DEPARTMENT OF VETERANS AFFAIRS, INCURRED BY A SERVICE-DISABLED VETERAN
21 OR A BUSINESS EMPLOYING A SERVICE-DISABLED VETERAN AS A RESULT OF THE
22 VETERAN'S DISABILITY.

23 (D) SUBJECT TO THE PROVISIONS OF THIS SECTION:

24 (1) THE DEPARTMENT SHALL ADMINISTER THE LOAN PROGRAM
25 AUTHORIZED UNDER THIS SECTION; AND

26 (2) THE DEPARTMENT OF VETERANS AFFAIRS SHALL ESTABLISH
27 ELIGIBILITY CRITERIA FOR LOANS UNDER THIS SECTION.

28 (E) (1) A LOAN MADE UNDER THIS SECTION FOR THE PURPOSE OF
29 PROVIDING FINANCIAL SUPPORT TO A BUSINESS OWNED BY AN INDIVIDUAL WHO IS
30 CALLED TO ACTIVE DUTY OR TO A SMALL BUSINESS EMPLOYER OF AN INDIVIDUAL
31 WHO IS CALLED TO ACTIVE DUTY:

32 (I) MAY BE MADE AT ANY TIME FROM THE INDIVIDUAL'S RECEIPT
33 OF ORDERS TO REPORT TO 6 MONTHS AFTER THE END OF THE INDIVIDUAL'S ACTIVE
34 DUTY; AND

35 (II) SHALL BE SUBJECT TO CRITERIA FOR ELIGIBILITY AND
36 PRIORITY ESTABLISHED BY THE DEPARTMENT OF VETERANS AFFAIRS, INCLUDING:

1 (1) ~~FOR ANY TAXABLE YEAR IN WHICH THE TAXPAYER IS UNDER A~~
2 ~~FINAL ORDER, JUDGMENT, OR OTHER PROCESS ISSUED OR REQUIRED BY A DISTRICT~~
3 ~~COURT OF THE UNITED STATES UNDER 38 U.S.C. § 4323 WITH RESPECT TO A~~
4 ~~VIOLATION OF CHAPTER 43 OF TITLE 38 OF THE UNITED STATES CODE; OR~~

5 (2) ~~FOR THE 2 SUCCEEDING TAXABLE YEARS AFTER ANY TAXABLE YEAR~~
6 ~~DESCRIBED IN ITEM (1) OF THIS SUBSECTION.~~

7 ~~(D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR~~
8 ~~EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, AN INDIVIDUAL OR~~
9 ~~CORPORATION MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME~~
10 ~~TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:~~

11 (1) ~~THE EXHAUSTION OF THE FULL AMOUNT OF THE EXCESS; OR~~

12 (2) ~~THE EXPIRATION OF THE 5TH TAXABLE YEAR AFTER THE TAXABLE~~
13 ~~YEAR IN WHICH THE CREDIT IS EARNED.~~

14 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the tax credit under §~~
15 ~~10-726 of the Tax General Article as enacted by Section 1 of this Act shall be~~
16 ~~applicable to all taxable years beginning after December 31, 2005.~~

17 ~~SECTION 3-2.~~ AND BE IT FURTHER ENACTED, That this Act shall take
18 effect July 1, 2006.