

# HOUSE BILL 969

Q3

2lr1487

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By: **Delegates Vitale, Beidle, Eckardt, George, Love, and McConkey**

Introduced and read first time: February 10, 2012

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit to Businesses for Employment**

3 FOR the purpose of allowing a credit against the State income tax for an employer  
4 that experiences a decline in revenue and does not terminate any employees;  
5 requiring the employer to submit a certain application with certain information;  
6 requiring the Comptroller to approve or deny an application within a certain  
7 number of days; requiring the Comptroller to issue a credit certificate under  
8 certain circumstances; providing for the amount of the credit; authorizing an  
9 employer to carry forward any unused amount of the credit; requiring the  
10 Comptroller to adopt certain regulations; providing for the application of this  
11 Act; and generally relating to a credit for certain employers that do not  
12 terminate employees.

13 BY adding to

14 Article – Tax – General

15 Section 10–731

16 Annotated Code of Maryland

17 (2010 Replacement Volume and 2011 Supplement)

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

20 **Article – Tax – General**

21 **10–731.**

22 **(A) AN EMPLOYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME**  
23 **TAX IN THE AMOUNT STATED IN THE CREDIT CERTIFICATE ISSUED BY THE**  
24 **COMPTROLLER UNDER SUBSECTION (B) OF THIS SECTION FOR COSTS RELATED**  
25 **TO EMPLOYING INDIVIDUALS.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) (1) AN EMPLOYER SHALL SUBMIT AN APPLICATION FOR THE**  
2 **CREDIT TO THE COMPTROLLER.**

3           **(2) THE APPLICATION SHALL PROVIDE EVIDENCE THAT THE**  
4 **EMPLOYER HAS EXPERIENCED A DECREASE IN REVENUE DURING THE YEAR AND**  
5 **HAS NOT TERMINATED ANY EMPLOYEES DESPITE THE DECREASE IN REVENUE.**

6           **(3) THE APPLICATION SHALL CONTAIN ANY ADDITIONAL**  
7 **INFORMATION THE COMPTROLLER REQUIRES.**

8           **(4) WITHIN 60 DAYS AFTER THE DATE ON WHICH THE**  
9 **APPLICATION IS SUBMITTED, THE COMPTROLLER SHALL APPROVE OR DENY**  
10 **THE APPLICATION AND PROVIDE A CREDIT CERTIFICATE THAT STATES THE**  
11 **AMOUNT OF THE CREDIT FOR WHICH THE EMPLOYER IS ELIGIBLE.**

12           **(C) (1) THE TAX CREDIT ALLOWED UNDER THIS SECTION MAY NOT**  
13 **EXCEED THE LESSER OF:**

14                   **(I) \$500 FOR EACH EMPLOYEE THE EMPLOYER DOES NOT**  
15 **TERMINATE; OR**

16                   **(II) \$5,000 FOR EACH EMPLOYER.**

17           **(2) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY**  
18 **TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, AN**  
19 **EMPLOYER MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME**  
20 **TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE**  
21 **EXCESS IS USED.**

22           **(D) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT**  
23 **THE PROVISIONS OF THIS SECTION AND TO SPECIFY CRITERIA AND**  
24 **PROCEDURES FOR APPLICATION FOR AND APPROVAL OF ELIGIBILITY FOR THE**  
25 **TAX CREDIT UNDER THIS SECTION.**

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 July 1, 2012, and shall be applicable to all taxable years beginning after December 31,  
28 2012.