

# SENATE BILL 273

Q3

6lr1226

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By: **Senators King, Currie, Edwards, Ferguson, Guzzone, Manno, Peters, Serafini,  
and Young**

Introduced and read first time: January 22, 2016

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Apprenticeship and Training – Work–Based Learning**  
3 **Program**

4 FOR the purpose of allowing an individual or a corporation that employs certain  
5 apprentices to claim a credit against the State income tax; providing that the amount  
6 of the credit may not exceed a certain amount; providing that the credit may not be  
7 claimed for certain apprentices for more than a certain number of taxable years;  
8 providing that the credit may not exceed State tax liability for any taxable year;  
9 providing that the unused amount of any credit may not be carried over to any other  
10 taxable year; requiring an individual or corporation that intends to claim the credit  
11 to apply to the Apprenticeship and Training Council for a certain tax credit  
12 certificate; requiring the application to contain certain information; requiring the  
13 Council to approve applications on a first–come, first–served basis; providing that  
14 each tax credit certificate may not exceed a certain amount; prohibiting the Council  
15 from approving tax credit certificate applications that in the aggregate total more  
16 than a certain annual amount; requiring that each individual or corporation that  
17 claims a credit provide the Council with certain evidence by a certain date; requiring  
18 the Council, in consultation with the Comptroller, to adopt certain regulations;  
19 defining certain terms; providing for the application of this Act; and generally  
20 relating to an income tax credit for individuals or corporations that hire certain  
21 apprentices.

22 BY adding to

23 Article – Tax – General

24 Section 10–737

25 Annotated Code of Maryland

26 (2010 Replacement Volume and 2015 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



## Article – Tax – General

10-737.

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

(2) “APPRENTICE” MEANS A PARTICIPANT IN AN APPRENTICESHIP PROGRAM APPROVED BY THE COUNCIL UNDER § 11-405 OF THE LABOR AND EMPLOYMENT ARTICLE.

(3) “COUNCIL” MEANS THE APPRENTICESHIP AND TRAINING COUNCIL.

(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE COST OF EMPLOYING AN APPRENTICE FOR AT LEAST 7 MONTHS DURING A TAXABLE YEAR.

(2) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE AMOUNT STATED ON THE TAX CREDIT CERTIFICATE APPROVED BY THE COUNCIL UNDER SUBSECTION (E) OF THIS SECTION.

(C) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR AN INDIVIDUAL APPRENTICE FOR MORE THAN 4 TAXABLE YEARS.

(D) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE STATE INCOME TAX FOR THAT TAXABLE YEAR.

(2) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(E) (1) ON OR BEFORE JULY 15 OF EACH YEAR AN INDIVIDUAL OR A CORPORATION MAY SUBMIT AN APPLICATION TO THE COUNCIL FOR A TAX CREDIT CERTIFICATE.

(2) THE TAX CREDIT CERTIFICATE APPLICATION SHALL:

(I) IDENTIFY EACH APPRENTICE THE INDIVIDUAL OR CORPORATION EMPLOYS;

(II) PROVIDE THE DATE EACH APPRENTICE WAS HIRED; AND

1                   (III) ESTIMATE THE COST TO EMPLOY EACH APPRENTICE FOR  
2 THE YEAR.

3                   (3) (I) THE COUNCIL SHALL APPROVE EACH TAX CREDIT  
4 CERTIFICATE APPLICATION ON A FIRST-COME, FIRST-SERVED BASIS.

5                   (II) THE AMOUNT OF CREDIT APPROVED IN A TAX CREDIT  
6 CERTIFICATE MAY NOT EXCEED \$1,000 FOR EACH APPRENTICE THAT THE  
7 INDIVIDUAL OR CORPORATION EMPLOYS.

8                   (III) THE COUNCIL MAY NOT APPROVE TAX CREDIT  
9 CERTIFICATE APPLICATIONS THAT IN THE AGGREGATE TOTAL MORE THAN  
10 \$1,000,000 ANNUALLY.

11                  (4) ON OR BEFORE JANUARY 15 OF EACH YEAR AN INDIVIDUAL OR  
12 CORPORATION THAT CLAIMS A CREDIT UNDER THIS SECTION FOR THE PRIOR  
13 CALENDAR YEAR SHALL PROVIDE THE COUNCIL EVIDENCE OF:

14                   (I) THE COST TO EMPLOY EACH APPRENTICE; AND

15                   (II) THE NUMBER OF MONTHS EACH APPRENTICE WAS  
16 EMPLOYED.

17                  (F) THE COUNCIL, IN CONSULTATION WITH THE COMPTROLLER, SHALL  
18 ADOPT REGULATIONS THAT:

19                   (1) PROVIDE FOR THE ADMINISTRATION OF THE TAX CREDIT UNDER  
20 THIS SECTION; AND

21                   (2) SPECIFY CRITERIA AND PROCEDURES FOR APPLICATION FOR,  
22 APPROVAL OF, AND MONITORING CONTINUING ELIGIBILITY FOR THE TAX CREDIT  
23 UNDER THIS SECTION.

24                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
25 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.