

HOUSE BILL 349

Q3

7lr1130
CF 7lr2618

By: **Delegates Miele, Afzali, Angel, Aumann, Barkley, Brooks, Cassilly, Chang, Ciliberti, Cluster, Ebersole, Folden, Frush, Grammer, Hixson, Holmes, Hornberger, S. Howard, Jalisi, Krebs, Long, McConkey, Metzgar, Pena-Melnyk, Queen, Rose, Saab, Shoemaker, Sophocleus, Szeliga, Turner, Valentino-Smith, C. Wilson, and P. Young**

Introduced and read first time: January 25, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Wages Paid to Qualified Veteran Employees**
3 **(Hire Our Veterans Act of 2017)**

4 FOR the purpose of allowing a credit against the State income tax for certain wages paid by
5 certain small businesses to certain qualified veteran employees; providing for the
6 calculation of the credit; prohibiting a small business from claiming the credit under
7 certain circumstances; requiring the small business to submit certain documentation to
8 qualify for the credit; defining certain terms; providing for the application of this Act;
9 and generally relating to a State income tax credit for wages paid to qualified veteran
10 employees.

11 BY adding to

12 Article – Tax – General
13 Section 10-741
14 Annotated Code of Maryland
15 (2016 Replacement Volume)

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

18 **Article – Tax – General**

19 **10-741.**

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



8 (B) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A SMALL
9 BUSINESS THAT HIRES A QUALIFIED VETERAN EMPLOYEE MAY CLAIM A CREDIT
10 AGAINST THE STATE INCOME TAX IN THE AMOUNTS DETERMINED UNDER
11 SUBSECTION (C) OF THIS SECTION FOR WAGES PAID TO THE QUALIFIED VETERAN
12 EMPLOYEE.

13 (C) FOR EACH TAXABLE YEAR, FOR THE WAGES PAID TO EACH QUALIFIED
14 VETERAN EMPLOYEE, A CREDIT IS ALLOWED IN AN AMOUNT EQUAL TO:

15 (1) 30% OF UP TO THE FIRST \$6,000 OF WAGES PAID TO THE
16 QUALIFIED VETERAN EMPLOYEE DURING THE FIRST YEAR OF EMPLOYMENT; AND

17 (2) 20% OF UP TO THE FIRST \$6,000 OF WAGES PAID TO THE
18 QUALIFIED VETERAN EMPLOYEE DURING THE SECOND YEAR OF EMPLOYMENT.

19 (D) A SMALL BUSINESS MAY NOT CLAIM THE CREDIT UNDER THIS SECTION
20 FOR A QUALIFIED VETERAN EMPLOYEE WHO IS HIRED TO REPLACE A LAID-OFF
21 EMPLOYEE OR AN EMPLOYEE WHO IS ON STRIKE.

22 (E) TO QUALIFY FOR THE CREDIT PROVIDED UNDER THIS SECTION, FOR
23 EACH QUALIFIED VETERAN EMPLOYEE FOR WHOM THE SMALL BUSINESS IS
24 CLAIMING THE CREDIT, THE SMALL BUSINESS SHALL ATTACH TO THE SMALL
25 BUSINESS'S INCOME TAX RETURN OR OTHERWISE FILE WITH THE COMPTROLLER:

28 (2) PROOF OF THE WAGES PAID TO THE QUALIFIED VETERAN
29 EMPLOYEE.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.