

# SENATE BILL 448

Q4  
SB 668/19 – B&T

0lr2650  
CF HB 594

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By: **Senators Guzzone, Cassilly, Elfreth, Griffith, Hayes, King, Peters, Rosapepe, Washington, and Zucker**

Introduced and read first time: January 27, 2020

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Vendor Collection Credit – Job Training**

3 FOR the purpose of increasing, for certain qualified job training organizations, the credit  
4 allowed for the expense of collecting and paying the sales and use tax; prohibiting,  
5 under certain circumstances, certain qualified job training organizations from  
6 claiming certain vendor collection credits; providing for the certification of qualified  
7 job training organizations by the Secretary of Labor; authorizing a vendor to submit  
8 to the Secretary an application to be certified as a qualified job training organization;  
9 requiring the Secretary to review the application and make a certain determination  
10 within a certain number of days; requiring the Secretary to provide notice of certain  
11 determinations; requiring, on or before a certain date each year, a vendor who claims  
12 a certain credit to submit a certain report; requiring the Comptroller to adopt certain  
13 regulations; defining certain terms; and generally relating to the sales and use tax  
14 vendor collection credit.

15 BY repealing and reenacting, with amendments,  
16 Article – Tax – General  
17 Section 11–105  
18 Annotated Code of Maryland  
19 (2016 Replacement Volume and 2019 Supplement)

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

22 **Article – Tax – General**

23 11–105.

24 (a) (1) Except as provided in subsections (b) [and], (c), AND (D) of this section,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 a vendor who timely files a sales and use tax return is allowed, for the expense of collecting  
2 and paying the tax, a credit equal to 0.9% of the gross amount of sales and use tax that the  
3 vendor is to pay to the Comptroller.

4 (2) The credit allowed under this section does not apply to any sales and  
5 use tax that a vendor is required to pay to the Comptroller for any purchase or use that the  
6 vendor makes that is subject to the tax.

7 (b) (1) Subject to paragraph (2) of this subsection, the credit allowed under this  
8 section is 1.2% of the first \$6,000 of the gross amount of sales and use tax that the vendor  
9 is to pay with each return.

10 (2) For a vendor who files or is eligible to file a consolidated return under  
11 § 11-502 of this title, the credit allowed under paragraph (1) of this subsection is 1.2% of  
12 the first \$6,000 of the gross amount of sales and use tax that the vendor is or would be  
13 required to pay with the consolidated return.

14 (c) (1) The credit allowed under subsection (a) of this section may not exceed  
15 \$500 for each return.

16 (2) For a vendor who files or is eligible to file a consolidated return under  
17 § 11-502 of this title, the total maximum credit that the vendor is allowed under this section  
18 for all returns filed for any period is \$500.

19 (D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE  
20 MEANINGS INDICATED.

21 (II) "QUALIFIED JOB TRAINING ORGANIZATION" MEANS AN  
22 ORGANIZATION THAT:

23 1. IS LOCATED IN THE STATE;

24 2. IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF  
25 THE INTERNAL REVENUE CODE;

26 3. CONDUCTS RETAIL SALES OF DONATED ITEMS;

27 4. PROVIDES JOB TRAINING AND EMPLOYMENT  
28 SERVICES TO INDIVIDUALS WITH WORKPLACE DISADVANTAGES OR DISABILITIES;  
29 AND

30 5. USES A MAJORITY OF ITS REVENUE FOR JOB  
31 TRAINING AND JOB PLACEMENT PROGRAMS:

32 A. THAT ASSIST INDIVIDUALS WITH GROWTH IN

1 EMPLOYMENT HOURS;

2 B. FOR INDIVIDUALS WITH LOW INCOME, WORKPLACE  
3 DISADVANTAGES, DISABILITIES, OR BARRIERS TO EMPLOYMENT; OR

4 C. FOR VETERANS.

5 (III) "SECRETARY" MEANS THE SECRETARY OF LABOR.

6 (2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A  
7 VENDOR WHO IS A QUALIFIED JOB TRAINING ORGANIZATION CERTIFIED UNDER  
8 PARAGRAPH (3) OF THIS SUBSECTION AND TIMELY FILES A SALES AND USE TAX  
9 RETURN IS ALLOWED A CREDIT EQUAL TO 100% OF THE GROSS AMOUNT OF SALES  
10 AND USE TAX THAT THE VENDOR IS TO PAY TO THE COMPTROLLER.

11 (II) A VENDOR WHO CLAIMS A CREDIT UNDER SUBPARAGRAPH  
12 (I) OF THIS PARAGRAPH MAY NOT CLAIM A CREDIT UNDER SUBSECTIONS (A)  
13 THROUGH (C) OF THIS SECTION.

14 (3) (I) A VENDOR MAY APPLY TO THE SECRETARY TO BE  
15 CERTIFIED AS A QUALIFIED JOB TRAINING ORGANIZATION.

16 (II) WITHIN 30 DAYS OF RECEIVING THE APPLICATION, THE  
17 SECRETARY SHALL REVIEW THE APPLICATION AND IF THE VENDOR:

18 1. IS DETERMINED TO BE A QUALIFIED JOB TRAINING  
19 ORGANIZATION, CERTIFY THE VENDOR AS A QUALIFIED JOB TRAINING  
20 ORGANIZATION AND NOTIFY THE VENDOR AND THE COMPTROLLER; OR

21 2. IS DETERMINED NOT TO BE A QUALIFIED JOB  
22 TRAINING ORGANIZATION, NOTIFY THE VENDOR.

23 (4) ON OR BEFORE JANUARY 31 EACH YEAR, A VENDOR WHO CLAIMS  
24 A CREDIT UNDER THIS SUBSECTION SHALL SUBMIT TO THE SECRETARY A REPORT  
25 THAT INCLUDES, FOR THE PREVIOUS CALENDAR YEAR:

26 (I) THE AMOUNT OF CREDITS CLAIMED;

27 (II) THE AMOUNT SPENT BY THE VENDOR ON JOB TRAINING AND  
28 EMPLOYMENT SERVICES; AND

29 (III) THE NUMBER OF INDIVIDUALS RECEIVING JOB TRAINING  
30 AND EMPLOYMENT SERVICES.

1                   **(5) THE COMPTROLLER SHALL ADOPT REGULATIONS TO IMPLEMENT**  
2 **THIS SUBSECTION.**

3                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
4 1, 2020.