

## Chapter 355

**(Senate Bill 257)**

AN ACT concerning

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

FOR the purpose of increasing, for certain qualified job training organizations, the credit allowed for the expense of collecting and paying the sales and use tax; prohibiting, under certain circumstances, certain qualified job training organizations from claiming certain vendor collection credits; prohibiting, for any calendar year, the total amount of credits a vendor may claim from exceeding a certain amount; providing for the certification of qualified job training organizations by the Secretary of Labor; authorizing a vendor to submit to the Secretary an application to be certified as a qualified job training organization; requiring the Secretary to review the application and make a certain determination within a certain number of days; requiring the Secretary to provide notice of certain determinations; requiring, on or before a certain date each year, a vendor who claims a certain credit to submit a certain report; requiring the Comptroller to adopt certain regulations; defining certain terms; and generally relating to the sales and use tax vendor collection credit.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 11–105

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)

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

**Article – Tax – General**

11–105.

(a) (1) Except as provided in subsections (b) [and], (c), **AND (D)** of this section, a vendor who timely files a sales and use tax return is allowed, for the expense of collecting and paying the tax, a credit equal to 0.9% of the gross amount of sales and use tax that the vendor is to pay to the Comptroller.

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

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

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

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

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

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

**(II) “QUALIFIED JOB TRAINING ORGANIZATION” MEANS AN ORGANIZATION THAT:**

- 1. IS LOCATED IN THE STATE;**
- 2. IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;**
- 3. CONDUCTS RETAIL SALES OF DONATED ITEMS;**
- 4. PROVIDES JOB TRAINING AND EMPLOYMENT SERVICES TO INDIVIDUALS WITH WORKPLACE DISADVANTAGES OR DISABILITIES; AND**
- 5. USES A MAJORITY OF ITS REVENUE FOR JOB TRAINING AND JOB PLACEMENT PROGRAMS:**
  - A. THAT ASSIST INDIVIDUALS WITH GROWTH IN EMPLOYMENT HOURS;**
  - B. FOR INDIVIDUALS WITH LOW INCOME, WORKPLACE DISADVANTAGES, DISABILITIES, OR BARRIERS TO EMPLOYMENT; OR**
  - C. FOR VETERANS.**

**(III) “SECRETARY” MEANS THE SECRETARY OF LABOR.**

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

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

(III) FOR ANY CALENDAR YEAR, THE TOTAL AMOUNT OF CREDITS THAT A VENDOR MAY CLAIM MAY NOT EXCEED ~~\$250,000~~ \$100,000.

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

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

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

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

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

(I) THE AMOUNT OF CREDITS CLAIMED;

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021.

**Approved by the Governor, May 18, 2021.**