

SENATE BILL 257

Q4

(11r0746)

ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senator Guzzone**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

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; prohibiting, for any calendar year, the
7 total amount of credits a vendor may claim from exceeding a certain amount;
8 providing for the certification of qualified job training organizations by the Secretary
9 of Labor; authorizing a vendor to submit to the Secretary an application to be
10 certified as a qualified job training organization; requiring the Secretary to review
11 the application and make a certain determination within a certain number of days;
12 requiring the Secretary to provide notice of certain determinations; requiring, on or
13 before a certain date each year, a vendor who claims a certain credit to submit a
14 certain report; requiring the Comptroller to adopt certain regulations; defining
15 certain terms; and generally relating to the sales and use tax vendor collection credit.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 BY repealing and reenacting, with amendments,
 2 Article – Tax – General
 3 Section 11–105
 4 Annotated Code of Maryland
 5 (2016 Replacement Volume and 2020 Supplement)

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

8 **Article – Tax – General**

9 11–105.

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

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

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

20 (2) For a vendor who files or is eligible to file a consolidated return under
 21 § 11–502 of this title, the credit allowed under paragraph (1) of this subsection is 1.2% of
 22 the first \$6,000 of the gross amount of sales and use tax that the vendor is or would be
 23 required to pay with the consolidated return.

24 (c) (1) The credit allowed under subsection (a) of this section may not exceed
 25 \$500 for each return.

26 (2) For a vendor who files or is eligible to file a consolidated return under
 27 § 11–502 of this title, the total maximum credit that the vendor is allowed under this section
 28 for all returns filed for any period is \$500.

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

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

33 **1. IS LOCATED IN THE STATE;**

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

3 3. CONDUCTS RETAIL SALES OF DONATED ITEMS;

4 4. PROVIDES JOB TRAINING AND EMPLOYMENT
5 SERVICES TO INDIVIDUALS WITH WORKPLACE DISADVANTAGES OR DISABILITIES;
6 AND

7 5. USES A MAJORITY OF ITS REVENUE FOR JOB
8 TRAINING AND JOB PLACEMENT PROGRAMS:

9 A. THAT ASSIST INDIVIDUALS WITH GROWTH IN
10 EMPLOYMENT HOURS;

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

13 C. FOR VETERANS.

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

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

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

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

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

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

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

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

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

9 **(I) THE AMOUNT OF CREDITS CLAIMED;**

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

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

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

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2021.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.