

# SENATE BILL 257

Q4  
SB 448/20 – B&T

(PRE-FILED)

11r0746

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By: **Senator Guzzone**

Requested: September 25, 2020

Introduced and read first time: January 13, 2021

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; 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.

16 BY repealing and reenacting, with amendments,  
17 Article – Tax – General  
18 Section 11–105  
19 Annotated Code of Maryland  
20 (2016 Replacement Volume and 2020 Supplement)

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

23 **Article – Tax – General**

24 11–105.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

15 (c) (1) The credit allowed under subsection (a) of this section may not exceed  
16 \$500 for each return.

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

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

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

24 1. IS LOCATED IN THE STATE;

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

27 3. CONDUCTS RETAIL SALES OF DONATED ITEMS;

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

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

1                   A.    THAT ASSIST INDIVIDUALS WITH GROWTH IN  
2 EMPLOYMENT HOURS;

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

5                   C.    FOR VETERANS.

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

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

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

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

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

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

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

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

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

30                   (I) THE AMOUNT OF CREDITS CLAIMED;

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

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

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

7           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
8 1, 2021.