

SB0598/133929/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 598
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Senator Guzzone” and substitute “Senators Guzzone, Elfreth, Griffith, Jackson, King, McCray, Rosapepe, Young, and Zucker”; in line 5, after “employment;” insert “allowing certain tax-exempt organizations to claim the credit under certain circumstances; altering the calculation of a certain subtraction modification under the Maryland income tax for certain salary and wages paid to certain individuals;”; and after line 6, insert:

“BY repealing and reenacting, without amendments,
Article – Tax – General
Section 10–208(a)
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–208(k)
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)”.

AMENDMENT NO. 2

On page 1, after line 14, insert:

“10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

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(k) (1) The subtraction under subsection (a) of this section includes the amount of salary or wages paid for which a deduction is not allowed under § 280C(a) of the Internal Revenue Code, not exceeding the credit allowed for targeted jobs under § 51 of the Internal Revenue Code.

(2) THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION SHALL BE REDUCED BY THE AMOUNT OF THE CREDIT CLAIMED BY THE TAXPAYER UNDER § 10-754 OF THIS TITLE.”;

strike beginning with “FOR” in line 18 down through “EMPLOYMENT” in line 19; in line 20, after “TAX” insert “FOR WAGES PAID OR INCURRED BY THE EMPLOYER DURING THE TAXABLE YEAR TO AN INDIVIDUAL WITH BARRIERS TO EMPLOYMENT WHO IS EMPLOYED IN THE STATE”; and in line 22, strike “100%” and substitute “50%”.

On page 2, in line 1, after “RETURN” insert “WITH RESPECT TO THOSE WAGES, EXCLUDING ANY AMOUNT CARRIED BACK OR FORWARD FROM ANOTHER TAXABLE YEAR IN ACCORDANCE WITH § 39 OF THE INTERNAL REVENUE CODE”; in line 2, after “(2)” insert “EXCEPT IN THE CASE OF AN EMPLOYER THAT IS AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE,”; after line 2, insert:

“(C) AN EMPLOYER THAT IS AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT UNDER THIS SECTION AS A CREDIT FOR THE PAYMENT TO THE COMPTROLLER OF TAXES THAT THE ORGANIZATION:

(1) IS REQUIRED TO WITHHOLD FROM THE WAGES OF EMPLOYEES UNDER § 10-908 OF THIS TITLE; AND

(2) IS REQUIRED TO PAY TO THE COMPTROLLER UNDER § 10-906(A) OF THIS TITLE.”;

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and in lines 3 and 5, strike “(C)” and “(D)”, respectively, and substitute “(D)” and “(E)”, respectively.