A BILL ENTITLED

AN ACT concerning

Income Tax – Work Opportunity Tax Credit

FOR the purpose of allowing employers that claim the federal work opportunity credit to claim a credit against the State income tax for certain wages paid to individuals with barriers to employment; and generally relating to a State work opportunity tax credit.

BY adding to
Article – Tax – General
Section 10–754
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

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

Article – Tax – General

10–754.

(A) IN THIS SECTION, “FEDERAL WORK OPPORTUNITY CREDIT” MEANS THE WORK OPPORTUNITY TAX CREDIT ALLOWED UNDER § 51 OF THE INTERNAL REVENUE CODE FOR WAGES PAID OR INCURRED BY AN EMPLOYER TO AN INDIVIDUAL WITH BARRIERS TO EMPLOYMENT.

(B) AN EMPLOYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO THE LESSER OF:

(1) 100% OF THE FEDERAL WORK OPPORTUNITY CREDIT PROPERLY
CLAIMED FOR THE TAXABLE YEAR BY AN EMPLOYER ON THE EMPLOYER’S FEDERAL
INCOME TAX RETURN; OR

(2) THE STATE INCOME TAX IMPOSED FOR THAT TAXABLE YEAR.

(C) THE UNUSED AMOUNT OF THE CREDIT UNDER THIS SECTION MAY NOT
BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(D) ON OR BEFORE DECEMBER 31, 2028, THE DEPARTMENT OF
LEGISLATIVE SERVICES SHALL PREPARE A TAX CREDIT EVALUATION IN
ACCORDANCE WITH TITLE 1, SUBTITLE 3 OF THIS ARTICLE ON THE TAX CREDIT
AUTHORIZED UNDER THIS SECTION AND REPORT TO THE GENERAL ASSEMBLY, IN
ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, ON THE TAX
CREDIT EVALUATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021, but
before January 1, 2029. It shall remain effective for a period of 7 years and, at the end of
June 30, 2029, this Act, with no further action required by the General Assembly, shall be
abrogated and of no further force and effect.