

# HOUSE BILL 2

Q3

(PRE-FILED)

2lr0583  
CF 2lr0445

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By: **Delegate Luedtke**

Requested: September 28, 2021

Introduced and read first time: January 12, 2022

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Work Opportunity Tax Credit**

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

7 BY adding to

8 Article – Tax – General

9 Section 10–754

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2021 Supplement)

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

14 **Article – Tax – General**

15 **10–754.**

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

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

22 (1) **100% OF THE FEDERAL WORK OPPORTUNITY CREDIT PROPERLY**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 CLAIMED FOR THE TAXABLE YEAR BY AN EMPLOYER ON THE EMPLOYER'S FEDERAL  
2 INCOME TAX RETURN; OR

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

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

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

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
13 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021, but  
14 before January 1, 2029. It shall remain effective for a period of 7 years and, at the end of  
15 June 30, 2029, this Act, with no further action required by the General Assembly, shall be  
16 abrogated and of no further force and effect.