

HOUSE BILL 255

F2, Q3

2lr0303

By: **Delegate Rosenberg**

Introduced and read first time: January 13, 2022

Assigned to: Appropriations and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Internship Opportunities Program – Creation and Income Tax Credit**

3 FOR the purpose of establishing the Maryland Internship Opportunities Program to
4 provide students with internship opportunities with humanities–based businesses;
5 allowing certain employers a credit, up to a certain amount, against the State income
6 tax for employing certain eligible interns subject to certain limitations; requiring
7 the Maryland Department of Labor to adopt regulations specifying criteria and
8 procedures for the application for and approval of tax credit certificates; and
9 generally relating to internship programs.

10 BY adding to

11 Article – Education

12 Section 18–3901 through 18–3910 to be under the new subtitle “Subtitle 39.
13 Maryland Internship Opportunities Program”

14 Annotated Code of Maryland

15 (2018 Replacement Volume and 2021 Supplement)

16 BY adding to

17 Article – Tax – General

18 Section 10–754

19 Annotated Code of Maryland

20 (2016 Replacement Volume and 2021 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

22 That the Laws of Maryland read as follows:

23 **Article – Education**

24 **SUBTITLE 39. MARYLAND INTERNSHIP OPPORTUNITIES PROGRAM.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **18-3901.**

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (B) "HUMANITIES-BASED BUSINESS" MEANS A BUSINESS PRIMARILY
5 ENGAGED IN THE ARTS, SOCIAL SCIENCES, COMMUNICATIONS, AND OTHER FIELDS
6 GENERALLY REFERRED TO AS HUMANITIES.

7 (C) "PROGRAM" MEANS THE MARYLAND INTERNSHIP OPPORTUNITIES
8 PROGRAM.

9 (D) "UMBC" MEANS THE UNIVERSITY OF MARYLAND BALTIMORE
10 COUNTY.

11 **18-3902.**

12 **THERE IS A MARYLAND INTERNSHIP OPPORTUNITIES PROGRAM.**

13 **18-3903.**

14 **THE PURPOSES OF THE PROGRAM ARE TO:**

15 (1) CONNECT COLLEGE AND UNIVERSITY STUDENTS, RECENT
16 GRADUATES, AND VETERANS WITH SMALL HUMANITIES-BASED BUSINESSES
17 THROUGH INTERNSHIPS;

18 (2) ENCOURAGE HIGH-ACHIEVING STUDENTS AT INSTITUTIONS OF
19 HIGHER EDUCATION IN THE STATE TO REMAIN IN THE STATE AFTER GRADUATION;

20 (3) INCREASE STUDENT UNDERSTANDING OF EMPLOYMENT
21 OPPORTUNITIES IN THE STATE;

22 (4) CREATE CONNECTIONS BETWEEN STUDENTS AND COMMUNITY
23 BUSINESS LEADERS AND ENTREPRENEURS AND DEVELOP OPPORTUNITIES FOR
24 STUDENT INVOLVEMENT IN COMMUNITIES;

25 (5) ASSIST SMALL HUMANITIES-BASED BUSINESSES IN DEVELOPING
26 INTERNSHIP PROGRAMS AND RECRUITING FUTURE EMPLOYEES; AND

27 (6) FOSTER BUSINESS RETENTION AND DEVELOPMENT, JOB
28 CREATION, WORKFORCE DEVELOPMENT, AND NEW INVESTMENT IN THE STATE.

1 18-3904.

2 (A) UMBC SHALL ADMINISTER THE PROGRAM.

3 (B) TO CARRY OUT THE PURPOSES OF THE PROGRAM, UMBC, LEVERAGING
4 THE TECHNOLOGY SYSTEMS OF THE MARYLAND TECHNOLOGY INTERNSHIP
5 PROGRAM, SHALL:

6 (1) UTILIZE AN INTERNET SITE THROUGH WHICH:

7 (I) STUDENTS MAY LEARN ABOUT HUMANITIES-BASED
8 BUSINESSES, HUMANITIES-BASED POSITIONS IN UNITS OF STATE AND LOCAL
9 GOVERNMENT, AND INTERNSHIP OPPORTUNITIES;

10 (II) HUMANITIES-BASED BUSINESSES MAY REGISTER, POST
11 INFORMATION ABOUT INTERNSHIP OPPORTUNITIES, AND APPLY FOR
12 REIMBURSEMENT OF INTERNSHIP STIPENDS AS PROVIDED UNDER THIS SUBTITLE;
13 AND

14 (III) UNITS OF STATE AND LOCAL GOVERNMENT MAY REGISTER,
15 POST INFORMATION ABOUT HUMANITIES-BASED INTERNSHIP OPPORTUNITIES, AND
16 APPLY FOR REIMBURSEMENT OF INTERNSHIP STIPENDS AS PROVIDED UNDER THIS
17 SUBTITLE;

18 (2) DEVELOP APPLICATION AND REGISTRATION REQUIREMENTS;

19 (3) REVIEW APPLICATIONS AND AWARD REIMBURSEMENTS OF
20 INTERNSHIP STIPENDS UNDER THIS SUBTITLE;

21 (4) PROVIDE OPPORTUNITIES FOR STUDENTS TO MEET
22 ENTREPRENEURS, VISIT HUMANITIES-BASED BUSINESSES, AND LEARN ABOUT
23 STARTING A BUSINESS IN THE STATE;

24 (5) PROVIDE RECRUITMENT AND TRAINING OPPORTUNITIES AND
25 SUPPORT FOR PARTICIPATING BUSINESSES AND UNITS OF STATE AND LOCAL
26 GOVERNMENT; AND

27 (6) TRACK AND ASSESS PROGRAM OUTCOMES.

28 18-3905.

29 TO QUALIFY FOR PARTICIPATION IN THE PROGRAM, AN INDIVIDUAL SHALL:

1 **(2) BE A HUMANITIES–BASED BUSINESS;**

2 **(3) COMMIT TO HOSTING AN INTERN FOR A MINIMUM OF 120 HOURS**
3 **DURING A SPRING, FALL, OR SUMMER SEMESTER; AND**

4 **(4) PROVIDE A DETAILED DESCRIPTION OF AN INTERN POSITION**
5 **WITH THE BUSINESS.**

6 **(B) TO QUALIFY FOR PARTICIPATION IN THE PROGRAM, A UNIT OF STATE**
7 **OR LOCAL GOVERNMENT SHALL:**

8 **(1) COMMIT TO HOSTING AN INTERN FOR A MINIMUM OF 120 HOURS**
9 **DURING A SPRING, FALL, OR SUMMER SEMESTER; AND**

10 **(2) PROVIDE A DETAILED DESCRIPTION OF A HUMANITIES–BASED**
11 **INTERN POSITION WITH THE UNIT.**

12 **18–3907.**

13 **(A) UMBC SHALL DEVELOP A PROCESS FOR TRACKING AND ASSESSING THE**
14 **OUTCOMES OF THE PROGRAM, INCLUDING:**

15 **(1) THE TOTAL NUMBER OF INDIVIDUALS, BUSINESSES, AND UNITS OF**
16 **STATE AND LOCAL GOVERNMENT PARTICIPATING IN THE PROGRAM;**

17 **(2) THE LOCATIONS AND SIZES OF PARTICIPATING BUSINESSES AND**
18 **UNITS OF STATE AND LOCAL GOVERNMENT;**

19 **(3) THE NUMBER OF PARTICIPATING STUDENTS REMAINING IN THE**
20 **STATE AFTER GRADUATION;**

21 **(4) THE NUMBER OF EMPLOYEE HIRES RESULTING FROM**
22 **INTERNSHIPS;**

23 **(5) THE EFFECT OF THE PROGRAM ON STUDENT UNDERSTANDING OF**
24 **OPPORTUNITIES FOR ENTREPRENEURS AND SMALL BUSINESSES IN THE STATE;**

25 **(6) STUDENT SKILL GROWTH RESULTING FROM INTERNSHIP**
26 **EXPERIENCES;**

27 **(7) BUSINESS GROWTH OR IMPROVEMENT RESULTING FROM**
28 **INTERNSHIPS; AND**

1 **(8) THE EFFECT OF THE PROGRAM ON RELATIONSHIPS BETWEEN**
2 **BUSINESSES AND INSTITUTIONS OF HIGHER EDUCATION IN THE STATE.**

3 **(B) UMBC SHALL OBTAIN FEEDBACK FROM PROGRAM PARTICIPANTS:**

4 **(1) AT THE CONCLUSION OF ANY ORIENTATION OR TRAINING**
5 **PROGRAM;**

6 **(2) AT THE CONCLUSION OF EACH INTERNSHIP; AND**

7 **(3) AT THE FOLLOWING INTERVALS AFTER THE CONCLUSION OF**
8 **EACH INTERNSHIP:**

9 **(I) 3 MONTHS;**

10 **(II) 6 MONTHS;**

11 **(III) 1 YEAR;**

12 **(IV) 2 YEARS; AND**

13 **(V) 3 YEARS.**

14 **18-3908.**

15 **(A) SUBJECT TO SUBSECTIONS (B) AND (C) OF THIS SECTION, MONEY**
16 **AWARDED UNDER THIS SUBTITLE MAY BE USED TO REIMBURSE A**
17 **HUMANITIES-BASED BUSINESS OR A UNIT OF STATE OR LOCAL GOVERNMENT UP TO**
18 **50% OF A STIPEND PAID TO AN INTERN, BUT NOT MORE THAN \$4,200 EACH YEAR FOR**
19 **EACH INTERN.**

20 **(B) THE MAXIMUM REIMBURSEMENT AMOUNTS ESTABLISHED IN**
21 **SUBSECTION (A) OF THIS SECTION MAY BE INCREASED IN ACCORDANCE WITH**
22 **CHANGES IN EMPLOYMENT MARKET CONDITIONS AS JOINTLY DETERMINED BY**
23 **UMBC AND THE DEPARTMENT OF COMMERCE.**

24 **(C) AT LEAST 50% OF THE INTERNSHIPS SUPPORTED BY THE PROGRAM**
25 **EACH YEAR SHALL BE WITH BUSINESSES THAT HAVE NOT MORE THAN 150**
26 **EMPLOYEES.**

27 **18-3909.**

1 (A) AT THE END OF EACH FISCAL YEAR, UMBC SHALL PREPARE AN ANNUAL
2 REPORT THAT INCLUDES AN ACCOUNTING OF ALL FINANCIAL RECEIPTS AND
3 EXPENDITURES THAT RELATE TO THE PROGRAM.

4 (B) UMBC SHALL SUBMIT A COPY OF THE REPORT TO THE GENERAL
5 ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.
6 18-3910.

7 FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL
8 BUDGET BILL AN APPROPRIATION FOR:

9 (1) THE REIMBURSEMENT OF INTERNSHIP STIPENDS UNDER THIS
10 SUBTITLE; AND

11 (2) UMBC TO ADMINISTER THE PROGRAM.

12 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
13 as follows:

14 Article – Tax – General

15 10-754.

16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
17 INDICATED.

18 (2) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF
19 LABOR.

20 (3) “ELIGIBLE EMPLOYER” MEANS A BUSINESS ENTITY THAT
21 PARTICIPATES IN AN INTERNSHIP PROGRAM UNDER TITLE 18, SUBTITLE 39 OF THE
22 EDUCATION ARTICLE.

23 (4) “ELIGIBLE INSTITUTION” MEANS AN INSTITUTION OF HIGHER
24 EDUCATION THAT PARTICIPATES IN AN INTERNSHIP PROGRAM UNDER TITLE 18,
25 SUBTITLE 39 OF THE EDUCATION ARTICLE.

26 (5) “ELIGIBLE INTERN” MEANS A STUDENT WHO:

27 (I) PARTICIPATED IN AN INTERNSHIP PROGRAM UNDER TITLE
28 18, SUBTITLE 39 OF THE EDUCATION ARTICLE; AND

29 (II) IS EMPLOYED BY AN ELIGIBLE EMPLOYER AS A FULL-TIME

1 EMPLOYEE WITHIN 6 MONTHS AFTER GRADUATING FROM AN ELIGIBLE
2 INSTITUTION.

3 (B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, FOR THE
4 TAXABLE YEAR IN WHICH AN ELIGIBLE INTERN COMPLETED AN INTERNSHIP WITH
5 AN ELIGIBLE EMPLOYER, THE ELIGIBLE EMPLOYER MAY CLAIM A CREDIT AGAINST
6 THE STATE INCOME TAX IN AN AMOUNT EQUAL TO THE AMOUNT OF THE TAX CREDIT
7 STATED IN THE CREDIT CERTIFICATE ISSUED TO AN ELIGIBLE EMPLOYER UNDER
8 SUBSECTION (C) OF THIS SECTION.

9 (2) THE AMOUNT OF THE TAX CREDIT ALLOWED UNDER THIS SECTION
10 MAY NOT EXCEED \$4,200 FOR EACH ELIGIBLE INTERN.

11 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE
12 YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, ANY UNUSED
13 CREDIT MAY BE CARRIED FORWARD AND APPLIED TO SUBSEQUENT TAXABLE YEARS
14 UNTIL THE FULL AMOUNT OF THE CREDIT IS USED.

15 (C) (1) AT LEAST 30 DAYS BEFORE EMPLOYING AN ELIGIBLE INTERN FOR
16 WHICH AN ELIGIBLE EMPLOYER MAY BE ELIGIBLE FOR A TAX CREDIT UNDER THIS
17 SECTION, THE ELIGIBLE EMPLOYER SHALL SUBMIT AN APPLICATION TO THE
18 DEPARTMENT.

19 (2) THE DEPARTMENT SHALL:

20 (I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR CREDITS
21 UNDER THIS SECTION ON A FIRST-COME, FIRST-SERVED BASIS; AND

22 (II) WITHIN 30 DAYS AFTER RECEIPT OF AN APPLICATION,
23 CERTIFY THE AMOUNT OF ANY APPROVED TAX CREDITS TO AN ELIGIBLE EMPLOYER.

24 (3) FOR ANY TAXABLE YEAR, THE DEPARTMENT MAY NOT ISSUE TAX
25 CREDIT CERTIFICATES IN THE AGGREGATE TOTALING MORE THAN \$250,000.

26 (D) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE
27 PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES FOR
28 APPLICATION FOR AND APPROVAL OF TAX CREDIT CERTIFICATES FOR THE TAX
29 CREDIT AUTHORIZED UNDER THIS SECTION.

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2022. Section 2 of this Act shall be applicable to all taxable years beginning after
32 December 31, 2021.