By: Delegate Rosenberg
Introduced and read first time: January 13, 2022
Assigned to: Appropriations and Ways and Means

A BILL ENTITLED

AN ACT concerning

Maryland Internship Opportunities Program – Creation and Income Tax Credit

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

BY adding to
Article – Education
Section 18–3901 through 18–3910 to be under the new subtitle “Subtitle 39. Maryland Internship Opportunities Program”
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

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 – Education

SUBTITLE 39. MARYLAND INTERNSHIP OPPORTUNITIES PROGRAM.
(A) In this subtitle the following words have the meanings indicated.

(B) “Humanities–based business” means a business primarily engaged in the arts, social sciences, communications, and other fields generally referred to as humanities.

(C) “Program” means the Maryland Internship Opportunities Program.

(D) “UMBC” means the University of Maryland Baltimore County.

There is a Maryland Internship Opportunities Program.

The purposes of the Program are to:

(1) Connect college and university students, recent graduates, and veterans with small humanities–based businesses through internships;

(2) Encourage high–achieving students at institutions of higher education in the State to remain in the State after graduation;

(3) Increase student understanding of employment opportunities in the State;

(4) Create connections between students and community business leaders and entrepreneurs and develop opportunities for student involvement in communities;

(5) Assist small humanities–based businesses in developing internship programs and recruiting future employees; and

(6) Foster business retention and development, job 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 the technology systems of the Maryland Technology Internship Program, shall:

6 (1) Utilize an Internet site through which:

7 (I) Students may learn about humanities–based businesses, humanities–based positions in units of State and local government, and internship opportunities;

10 (II) Humanities–based businesses may register, post information about internship opportunities, and apply for reimbursement of internship stipends as provided under this subtitle; and

14 (III) Units of State and local government may register, post information about humanities–based internship opportunities, and apply for reimbursement of internship stipends as provided under this subtitle;

18 (2) Develop application and registration requirements;

20 (3) Review applications and award reimbursements of internship stipends under this subtitle;

21 (4) Provide opportunities for students to meet entrepreneurs, visit humanities–based businesses, and learn about starting a business in the State;

24 (5) Provide recruitment and training opportunities and support for participating businesses and units of State and local government; and

27 (6) Track and assess Program outcomes.

28 18–3905.

To qualify for participation in the Program, an individual shall:
(1) (1) 1. Be a student enrolled at a public or private nonprofit institution of higher education in the State that possesses a certificate of approval from the Commission; and

2. Maintain a cumulative 2.5 grade point average on a 4.0 scale each academic year;

(ii) 1. Within 12 months before the date of application for the Program, have graduated from a public or private nonprofit institution of higher education in the State that possesses a certificate of approval from the Commission; and

2. Have maintained a cumulative 2.5 grade point average on a 4.0 scale during the latest academic year the individual was enrolled as a student;

(iii) 1. Be a student enrolled at a public or private nonprofit institution of higher education outside the State, if the student graduated from a high school in the State; and

2. Maintain a cumulative 2.5 grade point average on a 4.0 scale each academic year; or

(iv) 1. Have been honorably discharged from the United States armed forces, the National Guard, or a reserve component of the United States armed forces within 18 months of the date of application;

2. Be a resident of the State; and

3. Have graduated from a public or private nonprofit institution of higher education;

(2) Commit to working a minimum of 120 hours during a spring, fall, or summer semester; and

(3) Meet any other criteria established by UMBC.

18–3906.

(A) To qualify for participation in the Program, a business shall:

(1) Be located in the State;
(2) Be a humanities–based business;

(3) Commit to hosting an intern for a minimum of 120 hours during a spring, fall, or summer semester; and

(4) Provide a detailed description of an intern position with the business.

(B) To qualify for participation in the Program, a unit of state or local government shall:

(1) Commit to hosting an intern for a minimum of 120 hours during a spring, fall, or summer semester; and

(2) Provide a detailed description of a humanities–based intern position with the unit.

18–3907.

(A) UMBC shall develop a process for tracking and assessing the outcomes of the Program, including:

(1) The total number of individuals, businesses, and units of state and local government participating in the Program;

(2) The locations and sizes of participating businesses and units of state and local government;

(3) The number of participating students remaining in the state after graduation;

(4) The number of employee hires resulting from internships;

(5) The effect of the Program on student understanding of opportunities for entrepreneurs and small businesses in the state;

(6) Student skill growth resulting from internship experiences;

(7) Business growth or improvement resulting from internships; and
(8) **The effect of the Program on relationships between businesses and institutions of higher education in the State.**

(B) **UMBC shall obtain feedback from Program participants:**

(1) **At the conclusion of any orientation or training program;**

(2) **At the conclusion of each internship; and**

(3) **At the following intervals after the conclusion of each internship:**

   (i) 3 months;

   (ii) 6 months;

   (iii) 1 year;

   (iv) 2 years; and

   (v) 3 years.

18–3908.

(A) **Subject to subsections (b) and (c) of this section, money awarded under this subtitle may be used to reimburse a humanities–based business or a unit of State or local government up to 50% of a stipend paid to an intern, but not more than $4,200 each year for each intern.**

(B) **The maximum reimbursement amounts established in subsection (a) of this section may be increased in accordance with changes in employment market conditions as jointly determined by UMBC and the Department of Commerce.**

(C) **At least 50% of the internships supported by the Program each year shall be with businesses that have not more than 150 employees.**

18–3909.
(A) At the end of each fiscal year, UMBC shall prepare an annual report that includes an accounting of all financial receipts and expenditures that relate to the Program.

(B) UMBC shall submit a copy of the report to the General Assembly in accordance with § 2–1257 of the State Government Article. 18–3910.

For each fiscal year, the Governor shall include in the annual budget bill an appropriation for:

(1) The reimbursement of internship stipends under this subtitle; and

(2) UMBC to administer the Program.

Section 2. And be it further enacted, That the Laws of Maryland read as follows:

Article – Tax – General

10–754.

(A) (1) In this section the following words have the meanings indicated.

(2) “Department” means the Maryland Department of Labor.

(3) “Eligible employer” means a business entity that participates in an internship program under Title 18, Subtitle 39 of the Education Article.

(4) “Eligible institution” means an institution of higher education that participates in an internship program under Title 18, Subtitle 39 of the Education Article.

(5) “Eligible intern” means a student who:

(i) participated in an internship program under Title 18, Subtitle 39 of the Education Article; and

(ii) is employed by an eligible employer as a full-time
EMPLOYEE WITHIN 6 MONTHS AFTER GRADUATING FROM AN ELIGIBLE INSTITUTION.

(B) (1) Subject to the limitations of this section, for the taxable year in which an eligible intern completed an internship with an eligible employer, the eligible employer may claim a credit against the State income tax in an amount equal to the amount of the tax credit stated in the credit certificate issued to an eligible employer under subsection (C) of this section.

(2) The amount of the tax credit allowed under this section may not exceed $4,200 for each eligible intern.

(3) If the credit allowed under this section in any taxable year exceeds the State income tax for that taxable year, any unused credit may be carried forward and applied to subsequent taxable years until the full amount of the credit is used.

(C) (1) At least 30 days before employing an eligible intern for which an eligible employer may be eligible for a tax credit under this section, the eligible employer shall submit an application to the Department.

(2) The Department shall:

(I) Approve all applications that qualify for credits under this section on a first-come, first-served basis; and

(II) Within 30 days after receipt of an application, certify the amount of any approved tax credits to an eligible employer.

(3) For any taxable year, the Department may not issue tax credit certificates in the aggregate totaling more than $250,000.

(D) The Department shall adopt regulations to carry out the provisions of this section, including the criteria and procedures for application for and approval of tax credit certificates for the tax credit authorized under this section.

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