



Office of Tourism & Economic Development
107 West Green Street, Snow Hill, MD 21863
(410) 632-3112 • www.MarylandsCoast.org

January 22, 2025
The Senate Budget and Taxation Committee
SB 325 – Income Tax – Credit for Employers of Eligible Apprentices – Alterations
Support

Dear Chair Guzzone, Vice Chair Rosapepe, and distinguished members of Senate Budget and Taxation Committee:

As director of Tourism and Economic Development I am here in support of Senate Bill 325 – Income Tax – Credit for Employers of Eligible Apprentices – Alterations. SB 325 would extend the sunset of the Registered Apprenticeship Tax Credit until June 30, 2031 and repeals the current 50 percent prevailing wage requirement to earn the State Apprenticeship Tax Credit (SATC).

It is imperative that we have effective incentives for employers if we are to successfully increase the number of Registered Apprenticeships in the State of Maryland. The State Apprenticeship Tax Credit (SATC) incentivizes employers to utilize Registered Apprenticeships; however, the 2020 wage requirement amendment has hindered the effectiveness of Maryland's apprenticeship tax credit.

In 2020, Worcester County established a dedicated workforce development function and an associated position to serve as a liaison between our county employers and the various federal, state, and local workforce programs and resources. This initiative also fosters productive collaborations with higher education institutions, including the University of Maryland Eastern Shore (UMES), Salisbury University, Wor-Wic Community College, and the Worcester Technical High School. Additionally, we have implemented a signature program called STATT (Skilled Trades, Agriculture, Tourism, and Technology), developed in partnership with the Career and Technical Education (CTE) program. STATT provides work-based learning opportunities and immersion into various careers and skills essential for critical industries within our county.

Through our ongoing relationships with employers, it is evident that there is a dire need to expand our workforce pipeline to meet the demand for skilled workers at all levels. It is crucial that employers are actively engaged in this process, as their commitment to establishing apprenticeships is vital. However, the process of implementing apprenticeship programs presents significant challenges for employers in terms of compliance and time commitment. To achieve the state's workforce development goals, it is essential to encourage participation from



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Maryland employers, particularly within the private sector. Therefore, tax credits and other incentives are critical to offset the costs incurred by our job creators.

Extending the State Apprenticeship Tax Credit to 2030 and repealing the 50 percent prevailing wage requirement for the apprenticeship tax credit would enhance its effectiveness as an employer incentive. This would lead to an increase in Registered Apprenticeships across the state, strengthen Maryland's workforce, and provide more young people and adults with pathways to well-paying careers, particularly in high-demand occupations.

We respectfully urge your support for SB325 and ask for a favorable report to help us continue strengthening Maryland's workforce through apprenticeships.

Sincerely,

Melanie Pursel,
Director of Tourism & Economic Development