



The Voice of Merit Construction

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Mike Henderson

*President
Greater Baltimore Chapter
mhenderson@abcbaltimore.org*

Chris Garvey

*President & CEO
Chesapeake Shores Chapter
cgarvey@abc-chesapeake.org*

Dan Bond CAE

*President & CEO
Metro Washington Chapter
dbond@abcmetrowashington.org*

Tricia Baldwin

*Chairman
Joint Legislative Committee
tbaldwin@reliablecontracting.com*

Marcus Jackson

*Director of Government Affairs
Metro Washington Chapter
mjackson@abcmetrowashington.org*

*Additional representation by:
Harris Jones & Malone, LLC*

*6901 Muirkirk Meadows Drive
Suite F
Beltsville, MD 20705
(T) (301) 595-9711
(F) (301) 595-9718*

TO: WAYS AND MEANS COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: H.B. 1047 INCOME TAX – CREDIT FOR EMPLOYERS OF ELIGIBLE APPRENTICES - ALTERATIONS

POSITION: FAVORABLE

Associated Builders and Contractors (ABC) supports H.B. 1047 which is before you today for consideration. This bill will alter the definition of "eligible apprentice" for purposes of the State income tax credit for the employment of certain eligible apprentices.

We believe the current wage requirement for eligible apprentices is an unnecessary barrier. By removing this restriction, we can broaden the pool of qualified apprentices and encourage more employers to participate in apprenticeship programs. This will ultimately lead to a more skilled workforce and strengthen our local economy.

Extending the termination date of the credit to June 30, 2031, will provide greater stability and predictability for employers and apprenticeship programs. This extended timeframe will allow for a more robust evaluation of the program's effectiveness and ensure its continued success in developing a skilled workforce.

With respect to applicability to taxable years beginning after December 31, 2024, this provision ensures that the amended legislation will have a clear and timely impact, encouraging employers to invest in apprenticeship programs as soon as possible.

Apprenticeship programs play a vital role in developing a skilled workforce and closing the skills gap. By making these crucial alterations to the definition of "eligible apprentice," we can significantly enhance the effectiveness of the State income tax credit and incentivize greater participation in these valuable programs.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request a favorable report on H.B. 1047

Marcus Jackson, Director of
Government Affairs