

SENATE BILL 881

Q3

1lr2411

By: **Senator Guzzone**

Introduced and read first time: February 9, 2021

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of allowing certain employers to claim a credit against the State income
4 tax in a certain amount for certain wages paid to certain individuals with barriers to
5 employment; providing that the credit may not exceed a certain amount and may not
6 be carried over to any other taxable year; defining a certain term; providing for the
7 application of this Act; and generally relating to a State work opportunity tax credit.

8 BY adding to
9 Article – Tax – General
10 Section 10–751
11 Annotated Code of Maryland
12 (2016 Replacement Volume and 2020 Supplement)

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

15 **Article – Tax – General**

16 **10–751.**

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

21 (1) A QUALIFIED IV–A RECIPIENT;

22 (2) A QUALIFIED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
23 BENEFITS RECIPIENT;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (3) A LONG-TERM FAMILY ASSISTANCE RECIPIENT; OR

2 (4) A QUALIFIED LONG-TERM UNEMPLOYMENT RECIPIENT.

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

5 (1) 100% OF THE FEDERAL WORK OPPORTUNITY CREDIT PROPERLY
6 CLAIMED FOR THE TAXABLE YEAR BY AN EMPLOYER ON THE EMPLOYER'S FEDERAL
7 INCOME TAX RETURN; OR

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

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.