

COMPTROLLER UNDER § 10-906(A) OF THIS TITLE DUE ON UNRELATED BUSINESS TAXABLE INCOME AS PROVIDED UNDER §§ 10-304 AND 10-812 OF THIS TITLE

~~(e) (1) If the credit allowed under this section in any taxable year exceeds the State income tax for that taxable year, a business entity may apply the excess as a credit against the State income tax for succeeding taxable years until the earlier of:~~

~~[(1)](i) the full amount of the excess is used; or~~

~~[(2)](ii) the expiration of the 5th taxable year from the date on which the business entity hired the qualified employee to whom the credit first applies.~~

~~(2) FOR AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE, IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE SUM OF THE STATE INCOME TAX OTHERWISE PAYABLE BY THE ORGANIZATION FOR THAT TAXABLE YEAR AND THE INCOME TAX THAT THE ORGANIZATION HAS WITHHELD FROM THE WAGES OF EMPLOYEES FOR THAT TAXABLE YEAR AND IS REQUIRED TO PAY TO THE COMPTROLLER UNDER § 10-906(A) OF THIS TITLE, THE ORGANIZATION MAY APPLY THE EXCESS AS A CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:~~

~~(i) THE FULL AMOUNT OF THE EXCESS IS USED; OR~~

~~(ii) THE EXPIRATION OF THE 5TH TAXABLE YEAR FROM THE DATE ON WHICH THE ORGANIZATION HIRED THE QUALIFIED EMPLOYEE TO WHOM THE CREDIT FIRST APPLIES.~~

~~(f) (1) [If] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IF a credit is claimed under this section, the claimant must make the addition required in § 10-205, § 10-206, or § 10-306 of this title.~~

~~(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE~~

~~10-906.~~

~~(a) Except as provided in § 10-907 of this subtitle, each employer or payor shall:~~

~~(1) withhold the income tax required to be withheld under § 10-908 of this subtitle; and~~

~~(2) pay to the Comptroller the income tax withheld for a period with the withholding return that covers the period.~~

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

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(a) (2) "Business entity" means: