6–114.

AN INSURER MAY CLAIM A CREDIT AGAINST THE PREMIUM TAX FOR WAGES PAID TO QUALIFIED EMPLOYEES AS PROVIDED UNDER ARTICLE 83A, § 5–1102 OF THE CODE.

SECTION 3. AND BE IT FURTHER ENACTED, That the Department of Fiscal Services, based on information provided by and in consultation with the Department of Business and Economic Development, the Department of Budget and Fiscal Planning, the Comptroller, the Department of Assessments and Taxation, the Insurance Commissioner, and appropriate representatives of private employers, shall conduct a study of the efficacy and effectiveness of the tax credit program established under Section 1 of this Act in increasing the number of net jobs in the State. The Department of Fiscal Services shall conduct an analysis of the profile of employers having taken advantage of these credits in hiring new employees, cost effectiveness of the subsidy in reaching State goals, and the appropriateness of the level of the tax credits. The study shall also include an analysis of the potential effectiveness of the program based on varying the size, duration, and structure of the subsidy. The Department shall complete and present the results of the study to the Senate Budget and Taxation Committee and the House Committee on Ways and Means by January 1, 2000.

SECTION 4. AND BE IT FURTHER ENACTED, That the General Assembly finds that the widespread adoption of tax subsidies intended to move jobs from one state to another reduces revenues in all participating states without increasing the total number and quality of jobs. Therefore, the Governor should work with chief executive officers of Delaware, the District of Columbia, North Carolina, Pennsylvania, Virginia, and West Virginia to negotiate an agreement among all of these states by July 1, 1998, for the repeal of any law in each state that provides a tax subsidy, including any tax credit, deduction, exemption, or other modification, that is intended to create new jobs or entice new jobs to the state. The agreement shall specify the sections of the laws of each state that allow for such a tax subsidy and shall provide that each state will adopt legislation to repeal those sections of the laws of that executive's state, contingent on the enactment of the corresponding legislation by each of the other states. In connection with the agreement, the executives shall propose approaches for ensuring continuing compliance with the terms of the agreement. The Governor shall report to the Senate Budget and Taxation Committee and the House Ways and Means Committee of the Maryland General Assembly on or before September 15, 1998 on the status of reaching an agreement.

If an agreement has not been reached, the Governor shall include in the report alternatives to encourage agreement among the respective states, including but not limited to, increasing the amount of the job creation tax credit.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 1997.

SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 5 of this Act, this Act shall take effect July 1, 1996 and shall apply to all taxable years beginning after December 31, 1995 for all employees hired after January 1, 1996.

May 23, 1996

The Honorable Thomas V. Mike Miller, Jr.