

Chapter 379 of the Acts of the General Assembly of 1996, as amended by Chapters 14 and 70 of the Acts of the General Assembly of 1997

Section 3

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

Article 88A - Department of Human Resources

54.

(a) (1) In this section the following words have the meanings indicated.

(2) "Business entity" means:

(i) A person conducting or operating a trade or business in Maryland; or

(ii) An organization operating in Maryland that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code.

(3) "Qualified child care expenses" means State regulated child care expenses that are incurred by a business entity to enable a qualified employment opportunity employee of the business to be gainfully employed.

(4) (i) "Qualified employment opportunity employee" means an individual who is a resident of Maryland and who for three months before the individual's employment with a business entity was a recipient of temporary cash assistance from the State under the Aid to Families with Dependent Children Program or the Family Investment Program and who for six months before the individual's employment with a business entity was a Maryland resident.

(ii) "Qualified employment opportunity employee" does not include an individual who is the spouse of, or has any of the relationships specified in § 152 (a)(1) through (8) of the Internal Revenue Code to, a person who controls, directly or indirectly, more than 50% of the ownership of the business entity.

(5) "TRANSPORTATION EXPENSES" MEANS EXPENSES THAT ARE INCURRED BY A BUSINESS ENTITY TO ENABLE A QUALIFIED EMPLOYMENT OPPORTUNITY EMPLOYEE TO TRAVEL TO AND FROM WORK.

(6) "Wages" means wages, within the meaning of § 51(c)(1), (2), and (3) of the Internal Revenue Code without regard to § 51(c)(4) of the Internal Revenue Code, that are paid by a business entity to an employee for services performed in a trade or business of the employer BUSINESS ENTITY.

(b) (1) Except as provided in subsection (e) of this section, a business entity may claim a tax credit in the amounts determined under subsections (c) and (d) of this section for the wages and qualified child care OR TRANSPORTATION expenses with respect to a qualified employment opportunity employee that are paid in the taxable year for which the business entity claims the credit.