

BY repealing and reenacting, with amendments,

Chapter 626 of the Acts of the General Assembly of 1996, as amended by Chapter 14 of the Acts *of the General Assembly* of 1997

Section 4

BY repealing and reenacting, with amendments,

Chapter 626 of the Acts of the General Assembly of 1996

Section 5

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-704.7

Annotated Code of Maryland

(1997 Replacement Volume)

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

Article - Tax - General

10-704.3.

(a) An individual or a corporation may claim a credit against the income tax for wages paid to qualified employment opportunity employees and for child care provided or paid for by a business entity for the children of a qualified employment opportunity employee as provided under Article 88A, § 54 of the Code.

(b) (1) An organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code may apply the credit under this section:

(I) as a credit against income tax due on unrelated business taxable income as provided under §§ 10-304 and 10-812 of this title; OR

(II) AS A CREDIT FOR THE PAYMENT TO THE COMPTROLLER OF TAXES THAT THE ORGANIZATION:

1. ~~HAS WITHHELD~~ IS REQUIRED TO WITHHOLD FROM THE WAGES OF EMPLOYEES UNDER § 10-908 OF THIS TITLE; AND

2. IS REQUIRED TO PAY TO THE COMPTROLLER UNDER § 10-906(A) OF THIS TITLE.

(2) IF THE CREDIT ALLOWED UNDER THIS SUBSECTION IN ANY TAXABLE YEAR EXCEEDS THE SUM OF THE STATE INCOME TAX OTHERWISE PAYABLE BY THE ORGANIZATION FOR THAT TAXABLE YEAR AND THE TAXES THAT THE ORGANIZATION HAS WITHHELD FROM THE WAGES OF EMPLOYEES AND IS REQUIRED TO PAY TO THE COMPTROLLER UNDER § 10-906(A) OF THIS TITLE FOR THE TAXABLE YEAR, THE ORGANIZATION MAY APPLY THE EXCESS AS A CREDIT UNDER PARAGRAPH (1)(I) OR (II) OF THIS SUBSECTION IN SUCCEEDING TAXABLE YEARS FOR THE CARRY FORWARD PERIOD PROVIDED IN ARTICLE 88A, § 54 OF THE CODE.