

---

## House Bill 220

Date: February 10, 2020

Committee: Ways and Means

Bill Title: *Registered Apprenticeship – Tax Credit Reauthorization*

Re: Letter of Support

---

HB 220, *Registered Apprenticeship – Tax Credit Reauthorization*, provides for a reauthorization of the Registered Apprenticeship tax credit that sunsets on June 30, 2020. It proposes that the relevant Act remain in effect through June 30, **2025**, constituting a five-year extension. The Maryland Department of Labor (MD Labor) recognizes the progress of the State’s Maryland Apprenticeship and Training Program and believes continuation of the tax credit will further stimulate opportunity for both the State’s job seekers and businesses. The income tax credit is \$1,000 per apprentice and MD Labor may provide certifications for up to \$500,000 annually.

As of February 7, 2020, the Maryland Apprenticeship and Training Program has 10,507 registered apprentices, one of the highest participation rates in state history. There are currently 3,699 businesses and 164 program sponsors actively participating in the State’s program. Registered Apprenticeship offers an “earn and learn” approach, giving employees the opportunity to have a full-time job, learn through a combination of on-the-job training and related instruction, and earn a salary.

The Registered Apprenticeship tax credit has been instrumental in MD Labor’s efforts to expand Registered Apprenticeship because it further incentivizes businesses to register occupations and hire apprentices. Applications for the credit and subsequent certifications are trending upwards as Maryland continues to grow this model. In tax year 2017, MD Labor issued 229 credit certifications for 58 unique businesses claiming credits totaling \$229,000, and 355 credit certifications to 70 unique businesses claiming credits totaling \$355,000 the following year, representing a 55% increase. Thus far, for tax year 2019, MD Labor has issued 74 credit certifications for 27 unique businesses claiming credits totaling \$74,000. If the rate of applications remains consistent, MD Labor anticipates that the maximum number of credits (500) will be issued for tax year 2019.

The Maryland Department of Commerce also supports the Bill, as they play a role in administering the tax credit.

With this information, the Department respectfully asks for a favorable report from the committee and stands ready to answer any questions the committee may have.

[tiffany.robinson@maryland.gov](mailto:tiffany.robinson@maryland.gov) | 410-230-6020 | [www.labor.maryland.gov](http://www.labor.maryland.gov)