



**LEGISLATIVE POSITION:**

**Favorable**

**House Bill 1198**

**Income Tax Credit-Small Businesses-Student Interns**

**House Ways & Means Committee**

**Thursday, March 5, 2020**

Dear Chairwoman Kaiser and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families. Part of our work includes developing a workforce and talent pipeline that ensures Maryland's continued economic expansion.

House Bill 1198 would create a state income tax credit for a small business that employs a high school or college intern or an apprentice who works for at least 20 hours per week. The amount of the credit is equal to the lesser of \$2,500 for each eligible intern or apprentice hired or \$7,500.

Internships and apprenticeships are critically important tools for workforce development in Maryland. Internship programs, for example, are useful for businesses as they seek to find future employees, test-drive talent and close the skills gap. Interns are particularly helpful for small business owners as they look to increase productivity at a lower cost, all while achieving the aforementioned benefits.

Apprenticeship programs are voluntary, industry-based opportunities which afford jobseekers the ability to gain the high-level skills and technical knowledge required for certain industries. Apprentices do this through supervised, on-the-job training under the guidance of a skilled journeyman. Employers benefit from these opportunities by providing the skills training needed to meet their workforce needs for the future.

The Maryland Chamber of Commerce supports any effort to expand workforce development offerings in the State, including internship and apprenticeship programs. Through the Maryland Chamber Foundation, we are engaged in initiatives including business education on workforce best practices, talent pipeline support, workforce development needs and establishing partnerships between businesses and schools to support underserved communities in career-focused education, licensure, CTE, apprenticeships and more<sup>1</sup>. For these reasons, the Maryland Chamber of Commerce respectfully request a **favorable report** on House Bill 1198.

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<sup>1</sup> <https://mdchamber.org/foundation/workforce-development/>