

MARYLAND'S JOB CREATION & RECOVERY TAX CREDIT



Martin O'Malley
Governor



Anthony G. Brown
Lt. Governor

HOW CAN THE TAX CREDIT HELP MY BUSINESS?

With the Job Creation & Recovery Tax Credit, Maryland employers may be able to save up to \$5000 by hiring certain employees into new positions.

WHICH EMPLOYEES QUALIFY?

All employees must be Maryland residents hired between March 25, 2010 and December 31, 2010 and meet the following criteria:

- Individuals at the time of hire must be receiving unemployment insurance benefits or have exhausted their benefits in the previous 12 months and not working full time immediately preceding the date of hire.
- Employees must be hired into full-time, newly-created positions, or a full-time position that had been vacant for at least 6 months.

HOW DO I APPLY?

Employers must receive certification from the Department of Labor, Licensing, and Regulation (DLLR). [Click here to file online](#). All applications will be processed on a first-come, first-served basis.

To be eligible, employers must certify that:

- They are conducting or operating a trade or business in Maryland.
- They file a Maryland tax return or are tax-exempt under 501(c) of the Internal Revenue Code.
- The employees for which they are seeking credit meet the qualifying criteria.
- The position for which they are seeking credit is full time, of indefinite duration and will remain filled for at least 12 months.
- The position for which they are seeking credit is a newly created position or was vacant for a period of at least 6 months at the time it was filled.
- The position for which they are seeking credit was not created through a change in ownership of a trade or business.
- The position for which they are seeking credit was not created as a result of an employment function being contractually shifted from one business entity to another.
- The position for which they are seeking credit did not displace an existing employee.
- If the position for which they are seeking credit was created through a consolidation, merger, or restructuring, the position is a net new job for the organization in the State of Maryland.

Call 410-767-2996 to speak with a DLLR representative or email taxcredit@dllr.state.md.us.

FOR ADDITIONAL INFORMATION

[DLLR Sample Application](#)
[General Business Information](#)
[Connect to Maryland Government Comptroller's Office](#)

FAQs

How do I find qualifying employees?

Contact your local One-Stop Career Center through www.dllr.state.md.us/county to reach the business representatives in your area who are working with Unemployment Insurance (UI) claimants. Some UI claimants may also have registered with the Maryland Workforce Exchange mwe.dllr.state.md.us.

How can I be sure that a prospective employee is collecting or has received unemployment insurance?

- Upon request, most UI claimants will have a Citibank debit card with the Maryland blue crab that is issued by DLLR's Division of Unemployment Insurance or an IRS form 1099 issued by the UI Division. After an online application is received, DLLR will verify this and other information.

What if the employee leaves my employment?

- If a qualified position certified under this tax credit program is vacated for any reason prior to the expiration of the 12 month period, the employer must immediately notify DLLR's Tax Credit Programs Unit.
- A qualified employer must submit an amended application in order to receive the tax credit for hiring a replacement qualified employee for the vacated position.

How do I claim the credit?

- Each employer may receive a maximum credit of \$5,000, for each qualified employee, up to a total of \$250,000.
- The credit may be claimed on the employer's tax return that covers the time that the position is filled; positions filled for less than the twelve-month maximum provide the employer with a pro rata credit of \$416.67 for each month that the position is filled.
- If the credit exceeds the employer's income tax liability for that year, the employer is entitled to a refund payment.
- A non-profit organization may apply a credit against unrelated business income taxes and may receive a refund if the credit exceeds that liability.

[More FAQs...](#)



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MARYLAND OF OPPORTUNITY.

Department of Business & Economic Development