

DIVISION OF FINANCE  
HIRE OUR VETERANS TAX CREDIT PROGRAM

ANNUAL STATUS REPORT  
TAX YEAR 2020  
TAX-GENERAL ARTICLE

SECTION 10-743

Submitted by:

Maryland Department of Commerce

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## **PROGRAM OVERVIEW**

The Hire Our Veterans Tax Credit was enacted through Chapter 180, Acts of 2017. The program provides a state income tax credit equal to 30% of up to the first \$6,000 of wages paid to a qualified veteran employee during the first year of employment (i.e. a maximum of \$1,800 per qualified veteran employee) to a small business. After receiving the tax credit certification from Commerce, the business must file a tax return with the Comptroller of Maryland for the taxable year in which the certification was issued using Maryland Tax Form 500CR. The tax credit is non-refundable and cannot be carried forward or backwards.

## **QUALIFICATIONS**

### **Qualified Employer:**

A qualified employer is a “small business” operated by an individual, a partnership, a limited partnership, a limited liability partnership, a limited liability company, or a corporation that employs 50 or fewer full-time employees.

### **Qualified Veteran Employee:**

- Must have been hired on or after January 1, 2017;
- Must have served in the active Armed Forces and have been discharged or released from that service under honorable circumstances. “Armed Forces” means the United States Army, Navy, Marine Corps, Air Force and Coast Guard, including related reserve components;
- Must have served on active duty (not including training) in the Armed Forces for more than 180 days, OR have been discharged or released from active duty for a service-connected disability; AND not have a period of active duty (not including training) of more than 90 days that ended during the 60-day period ending on the hiring date;
- Must be a Qualified Veteran for purposes of the Federal Work Opportunity Tax Credit, as follows:
  - Be a veteran who is a member of a family that received SNAP benefits (food stamps) for at least a 3-month period during the 15-month period ending on the hiring date;  
OR
  - Be a disabled veteran entitled to compensation for a service-connected disability, who has been hired within 1 year after discharge or release from active duty OR unemployed for at least 6 months in the year ending on the hiring date;  
OR
  - Be a veteran who has been unemployed for at least 4 weeks in the year ending on the hiring date.

## **LIMITATIONS:**

- This credit is only available for wages paid in the qualified veteran’s first year of employment.
- A qualified employer may claim up to 5 qualified veteran employees for each taxable year.
- The total amount of credits available in a year is capped at \$500,000, and approvals of the tax credit certifications are on a first-come, first-served basis.
- The tax credit is not refundable.
- The tax credit cannot be carried forward or backwards.

**PROGRAM ACTIVITY FOR TY2020**

During calendar year 2020, the Department certified four businesses for hiring a total of six qualified veterans resulting in \$10,800 in tax credits issued.

**The applicants and the amount of credits for which they were certified are included in the appendix as follows:**

<b>Credit Year</b>	<b>Company Name</b>	<b>County</b>	<b># of Qualified Veteran</b>	<b>Tax Credit Amount</b>
2018	Cam Technologies, Inc.	Baltimore	1	\$1,800
2019	Clear Ridge Defense, LLC	Baltimore	3	\$5,400
2019	Securityhunter, Inc.	Baltimore	1	\$1,800
2020	Carroll Awning Co. Inc.	Baltimore City	1	\$1,800
		<b>Total:</b>	<b>6</b>	<b>10,800</b>