

DIVISION OF FINANCE
SMALL BUSINESS RELIEF TAX CREDIT
PROGRAM

ANNUAL STATUS REPORT
CALENDAR YEAR 2019
TAX-GENERAL ARTICLE

SECTION 10-748

Submitted by:

Maryland Department of Commerce

July 2020

BASIC FACTS ABOUT SMALL BUSINESS TAX CREDIT

Chapter 1, Acts of 2017, The Maryland Healthy Working Families Act, became effective February 1, 2018 and requires an employer with 15 or more employees to provide paid sick and safe leave to certain employees, and an employer with 14 or fewer employees to provide a sick and safe leave policy that provides certain employees with ***unpaid*** sick and safe. To assist small businesses with providing sick and safe leave as specified in the bill, the General Assembly passed and the Governor signed into law Chapter 571, Acts of 2018, to provide a refundable credit against the state income tax for small businesses who have 14 or fewer employees who provide **paid sick and safe leave** to certain employees.

The Maryland Department of Commerce (“the Department”) began accepting applications for the tax credit on January 3rd, 2019. The Department is responsible for administering the certification process. After receiving certification, businesses may amend their tax returns and receive a refund. The Small Business Relief Tax Credit offers qualified small businesses a state income tax credit of up to \$500 per employee and \$7,000 per small business for every year in which they qualify. Businesses may apply every year for each employee making less than 250 percent of the annual federal poverty guidelines for a single person household.

ACTIVITY FOR CALENDAR YEAR 2019

For calendar year 2019, the Department received applications from 21 businesses seeking certification for the tax credit. Of the 21 applications, 10 businesses received tax credits totaling \$13,508 for providing paid sick and safe leave to 43 qualified employees. The remaining 11 businesses were determined ineligible for the tax credit because the wages paid exceeded 250 percent of the annual federal poverty guideline.

	Company Name	County	Certified Tax Credit Amount
1	The Burkey Television and Appliance Company	Allegany	1,080
2	E. Gerber Products, LLC	Baltimore	3,412
3	Diamond International Galleries, LLC	Baltimore	3,500
4	Diamond Select Toys & Collectibles, LLC	Baltimore	500
5	Mt. Top Paving, Inc.	Garrett	442
6	V. Paul & Associates, PC	Montgomery	500
7	C&C Kids Gym, Inc.	Montgomery	489
8	Modern Eyes, LLC	Montgomery	625
9	ALPHA ALLERGY & ASHTMA ASSOCIATES, LLC	Montgomery	329
10	Instant Business Office, LLC dba OFFICENSE	Baltimore	2,631
Total			13,508