

MedChi

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TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee

FROM: Danna L. Kauffman
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DATE: March 3, 2021

RE: **SUPPORT** – Senate Bill 881 – *Income Tax - Work Opportunity Tax Credit*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** Senate Bill 881, which creates a nonrefundable credit against the State income tax for up to 100% of the federal Work Opportunity Tax Credit claimed for the employment of an individual who under the federal credit is a qualified recipient of the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, long-term family assistance, or long-term unemployment.

Currently, the Work Opportunity Tax Credit is a federal income tax credit available to employers for hiring individuals who are considered to face significant barriers to employment. Employers may claim the credit for employees who begin work before January 1, 2026. Senate Bill 881 creates parity by allowing employers to now claim the credit against the State income tax as well. An unfortunate consequence of the COVID-19 pandemic has been that, due to fewer individuals seeking routine medical treatment, many physician offices and other health care settings were forced to downsize staff. As the country slowly makes its way out of this pandemic, it can be expected that physician offices and other health care settings will need to return staffing to pre-pandemic levels. Senate Bill 881 will benefit both qualified individuals and employers in the hiring process. We urge a favorable vote.

For more information call:

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