



**STATE OF MARYLAND
DEPARTMENT OF LABOR, LICENSING AND REGULATION
DIVISION OF WORKFORCE DEVELOPMENT**

TAX CREDIT INFORMATION FOR EMPLOYERS

Federal and State Tax Credits reduce an employer's cost of doing business and require little paperwork. The success and growth of these credits for private-sector employers depend on a strong public and private sector partnership. Helping those most in need find and retain jobs and gain on-the-job experience benefits all employers and increases Maryland's economic growth and productivity.

**Work Opportunity Tax Credit
A Maryland State Tax Credit for Employers:**

What is it?

A two-year Maryland State Tax Credit available to employers for wages paid and childcare expenses incurred by employers for Maryland residents who are recipients of benefits through the Aid to Families with Dependent Children (AFDC) now called Temporary Cash Assistance (TCA) program. The Credit is:

Year one: 30% of 1st \$6,000 wages = \$1,800 plus up to \$600 Childcare or Transportation

Year two: 20% of 1st \$6,000 wages = \$1,200 plus up to \$500 Childcare

The Employer May:

- ✓ Claim the tax credit for an unlimited number of employees
- ✓ Claim the tax credit along with the Federal Opportunity Tax Credit and Federal Empowerment Zone credits if the employee is qualified

The Employer:

- ✓ After the job offer is made, all employer information must be completed on the voucher.
- ✓ The voucher, completed by the applicant and employer, must be sent to DLLR with a postmark on or before the 21st day of employment.

Additional information and forms may be found on the DLLR web site:

<http://www.dllr.state.md.us/employment/busservices.shtml>