

DIVISION OF FINANCE
SMALL BUSINESS RELIEF TAX CREDIT
PROGRAM

ANNUAL STATUS REPORT
TAX YEAR 2021
TAX-GENERAL ARTICLE

SECTION 10-748

Submitted by:

Maryland Department of Commerce

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BASIC FACTS ABOUT SMALL BUSINESS TAX CREDIT

The Maryland Healthy Working Families Act, House Bill 1, became effective February 1, 2018 and requires employers with 14 or fewer employees to provide unpaid sick and safe leave for certain employees. The Small Business Relief Tax Credit was signed into law on May 15, 2018 to comply with the Maryland Healthy Working Families Act to help small businesses who provide paid sick and safe leave to their employees.

The Maryland Department of Commerce (“the Department”) began accepting applications for the tax credit on January 3, 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 TY2021

For calendar year 2021, the Department received 16 applications from 16 businesses seeking certification for the tax credit. Of the 16 applications, 2 businesses received tax credits totaling \$3,420 for providing paid sick and safe leave to 10 qualified employees. Of the remaining applications, seven applications were incomplete, and seven businesses were determined to be ineligible for the tax credit for one of the following reasons: (1) the business had greater than 14 employees during the calendar year prior to the credit year and was required to provide unpaid sick and safe leave to its employees in the credit year, or (2) the wages paid exceeded 250% of the annual federal poverty guideline.

	Company Name	County	Certified Tax Credit Amount
1	Instant Business Office, LLC dba OFFICENSE	Baltimore City	2,104
2	Modern Eyes, LLC	Montgomery	1,316
Total			3,420