

Maryland Registered Apprenticeship Tax Credit

BENEFITS

The Maryland Apprenticeship Tax Credit provides a State income tax credit to Registered Apprenticeship Sponsors or participating employers (Employer) which hire an eligible Registered Apprentice(s). The Employer may qualify for a \$1,000 tax credit for each eligible Registered Apprentice.

ELIGIBILITY

To be eligible to apply for this tax credit program, the following two conditions must be in place:

- The Employer must be a Registered Apprenticeship Sponsor and/or participating employer in a Registered Apprenticeship Program. Registered Apprenticeship means the Apprenticeship and Apprentice(s) are registered with the State of Maryland and have been approved by the Maryland Apprenticeship and Training Council. For more information about the Maryland Apprenticeship and Training Program, please visit the [website \(http://www.dllr.maryland.gov/employment/appr/\)](http://www.dllr.maryland.gov/employment/appr/); and
- The Registered Apprentice(s) hired by the Employer must be registered with the Maryland Apprenticeship and Training Program and have worked for at least seven (7) full months of the taxable year for the employer, i.e. starting no earlier than January 1, and no later than May 31.

LIMITATIONS

- A credit may only be taken against the State income tax for the first year of employment for an eligible Registered Apprentice.
- There is no limit on the number of Registered Apprentices that can be claimed for each taxable year provided all eligibility criteria have been met.
- If tax credits exceed the amount of income tax liability, unused credits may be carried forward for succeeding taxable years until fully used.
- The total amount of tax credits available to be approved by the Maryland Department of Labor, Licensing and Regulation (DLLR) is limited to \$500,000 for any give taxable year. Tax credits will be certified on a first come, first-serve basis, based on the availability of credits.

HOW TO APPLY

- Any employer which wishes to claim this tax credit must have registered and been approved by the Maryland Apprenticeship and Training Council prior to applying for tax credit certification.
- To be certified for the tax credit, an eligible Employer must apply directly to DLLR. Applications (Forms A and B) for the tax credit can be found on the [website](http://www.dllr.maryland.gov/forms/aprtaxcredit.pdf) (<http://www.dllr.maryland.gov/forms/aprtaxcredit.pdf>).
- The completed application must be sent via mail or in a password protected /encrypted file email:

Mail: Maryland Registered Apprenticeship Tax Credit Program
Maryland Apprenticeship and Training Program
Division of Workforce Development and Adult Learning
Maryland Department of Labor, Licensing and Regulations (DLLR)
1100 N. Eutaw Street, Room 209
Baltimore, MD 21201

Email: Christopher.MacLarion@Maryland.gov

HOW TO CLAIM

After receiving the tax credit certification from DLLR, the Employers must file a tax return with the Comptroller of Maryland for the year in which the certification was issued. Applicants should use Maryland Tax Form 500CR. Maryland Tax Form 500CR must be filed electronically and have attached a copy of the certification provided to them by the DLLR. Please note the credit is taken against the State income tax ONLY. It is not taken against the county income tax “add-on.” For more information regarding the tax forms and tax return instructions, please visit the Comptroller of Maryland’s [website](http://www.marylandtaxes.com/) (<http://www.marylandtaxes.com/>).

If the Employer needs tax information or guidance beyond the scope of this information in order to apply for the Registered Apprenticeship Tax Credit program, please contact the [Comptroller of Maryland](http://www.marylandtaxes.com/) (<http://www.marylandtaxes.com/>). Please note that DLLR cannot dispense tax advice.

CONTACT

For more information about the Registered Apprenticeship Tax Credit, contact

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