



*To Lead, Advocate and Connect as the Voice of Business*

**House Bill 46: Small Business Relief Tax Credit - Expansion**

Ways and Means

March 6, 2019

**SUPPORT**

The Montgomery County Chamber of Commerce supported a bill last session that authorized the initial tax credit for small businesses as it acknowledged that for businesses with 50 employees or less, it is often times costlier and more difficult to adopt a variety of mandates required for businesses in Maryland.

House Bill 46 expands the small business relief tax credit by allowing a credit to small businesses for providing paid parental leave benefits to qualified employees. Small businesses with 14 or fewer employees that provide paid parental leave or paid sick and safe leave to employees who earn \$31,225 or less a year may benefit from claiming the tax credit. The credit is the lesser of \$500 for each qualified employee or the total amount of qualified employer parental leave benefits accrued by qualified employees. For an employer that provides both a qualified employer parental leave benefit and a qualified employer sick and safe leave benefit, the credit is the lesser of \$1,000 for each qualified employee or the total amount of both of those benefits accrued by qualified employees. Additionally, the bill increases the maximum amount of tax credit certificates that the Department of Commerce (Commerce) may issue annually from \$5 million to \$10 million.

In a tight labor market, it is also difficult to attract and retain employees. Therefore, some employers provide additional benefits to have a competitive advantage as a desirable employer.

For these reasons, **we request House Bill 46 be given a favorable report.**

*The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.*