



Senate Bill 522

Income Tax Credit – Eligible Employers – Eligible Internships

MACo Position: **SUPPORT**

Date: February 21, 2017

To: Budget and Taxation Committee

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** SB 522 as it incentivizes investment in internship programs that benefit Maryland students as well as the businesses that employ them. Counties also appreciate that this bill offers a state-funded tax benefit, without a "spillover" residual effect on county revenues and services.

SB 522 creates a program that allows businesses to receive a credit against the state income tax for employing eligible interns enrolled in public and private nonprofit higher education institutions in the state. In turn, the interns receive valuable and paid experience in a field that interests them.

Counties are invested in vitality of their economies. Having a robust, well-trained, and educated workforce encourages businesses to locate and grow in Maryland. This bill helps build relationships between businesses and higher education institutions. Small businesses that may have an interest in hiring interns, but not the resources to support an internship program, may now be able to do so through the availability of the tax credit program.

Internships supplement classroom experience by providing students exposure to real-world problems, increasing their marketability to employers, offering opportunities for advancement within organizations, and other professional growth opportunities. Employers benefit from the well qualified pool of potential employees the internships create.

Counties support and encourage efforts to incentivize and strengthen these internship programs. For these reasons MACo urges a **FAVORABLE** report on SB 522.