



# POSITION STATEMENT

## TESTIMONY PRESENTED TO THE HOUSE WAYS & MEANS COMMITTEE

### HOUSE BILL 220 – INCOME TAX CREDIT - EMPLOYMENT OF APPRENTICES - EXTENSION

February 14, 2020

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

#### **Position: Support**

The Greater Baltimore Committee (GBC) supports House Bill 220, which extends the state income tax credit for employers who hire apprentices through registered apprenticeship programs. Under current statute, the income tax credit for employers who hire apprentices expired January 1, 2020. House Bill 220 would extend the tax credit through June 30, 2025, and authorize the Maryland Department of Labor to issue a maximum of \$500,000 of tax credits in each tax year.

Apprenticeships are employer-sponsored workforce training programs that prepare workers for skilled occupations through a combination of on-the-job training and instruction. Apprenticeships provide workers with the ability to acquire skills and increase wages while they are working. While apprenticeships have been pervasive across Europe for centuries, they have recently resurged in the United States as an effective means to train workers across multiple industries.

As the skills gap continues to grow in industries such as building and construction, healthcare, and information technology, employers are revisiting apprenticeships as an effective means to train workers in skilled occupations that do not require a bachelor's degree. The GBC supports the extension of the state income tax credit for employers who hire apprentices as an incentive to create more registered apprenticeship programs in the state and help to close the skills gap.

House Bill 220 is consistent with a key tenet in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

**Workforce that is highly educated and meets Maryland's business needs.** Maryland's secondary and higher education institutions must offer access to quality instruction at all levels and cultivate a workforce that is well-suited to a modern economy and to the specific needs of Maryland's business sectors.

Finally, the Greater Baltimore Committee's 2020 Legislative Priorities state that a key priority is strengthening education and workforce systems to prioritize equity, accountability, and alignment with Maryland's high-growth industry sectors. The 2020 Legislative Priorities specifically call for support for policies and programs to increase employer-based apprenticeships and internships.

**For these reasons, the Greater Baltimore Committee urges a favorable report on House Bill 220.**

**GREATER BALTIMORE COMMITTEE**

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*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*

GREATER BALTIMORE COMMITTEE

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