



Frequently Asked Questions for Employers

How do I find qualifying employees?

Contact your local [One-Stop Career Center](#) through to reach the business representatives in your area who are working with Unemployment Insurance (UI) claimants. Some UI claimants may also have registered with the [Maryland Workforce Exchange](#).

How can I be sure that a prospective employee is collecting or has received Unemployment Insurance?

Upon request, most UI claimants will have a Citibank debit card with the Maryland blue crab that is issued by DLLR's Division of Unemployment Insurance or an IRS form 1099 issued by the UI Division. After an online application is received, DLLR will verify this and other information.

What if the employee leaves my employment?

If a qualified position certified under this tax credit program is vacated for any reason prior to the expiration of the 12 month period, the employer must immediately notify DLLR's Tax Credit Programs Unit. A qualified employer must submit an amended application in order to receive the tax credit for hiring a replacement qualified employee for the vacated position.

How do I claim the credit?

Each employer may receive a maximum credit of \$5,000, for each qualified employee, up to a total of \$250,000

The credit may be claimed on the employer's tax return that covers the time that the position is filled; positions filled for less than the twelve-month maximum provide the employer with a pro rata credit of \$416.67 for each month that the position is filled.

If the credit exceeds the employer's income tax liability for that year, the employer is entitled to a refund payment.

A non-profit organization may apply a credit against unrelated business income taxes and may receive a refund if the credit exceeds that liability.

Q: Can the tax credit be taken concurrently with other federal and state tax credit programs?

There is nothing under this tax credit that precludes you from applying for other similar state or federal tax credits. Employers should check with their tax advisors regarding the specific rules for other tax credit programs.

Q: How can I be sure that my employee or the person I am interviewing is collecting UI benefits or has exhausted benefits in the last 12 months?

Federal law prohibits DLLR's UI Division from providing this information at the employer's request. However, the employee/interviewee can fax a written request for verification of their UI status to:

PHONE: 410-822-3030 ext 301 • FAX: 410-820-9966 • E-MAIL: dmason@dllr.state.md.us

1. However, the employee/interviewee can fax a written request for verification of their UI status to:
 - 410-333-5142 (FAX) or
 - Mail it to 1100 N Eutaw St. Room 208 Baltimore, MD 21201 Attn: Claimant Status Verification
 - They should include their name and Social Security Number
 - The request should indicate where the verification will be sent, either to a fax number or a return mail address.
 - As long as the written request made by the employee/interviewee authorizes it, the verification can be returned by fax or mail to the employer.

Q: What if my employee/interviewee is collecting UI benefits or has exhausted benefits distributed through another state?

1. Under the Hiring Incentive Rebate for Employers program, an employee is qualified if they are a Maryland resident and collecting UI benefits from another state.
2. Because our on-line verification cannot automatically check this information, any employer in this situation should fill out a paper application. Please email taxcredit@dllr.state.md.us or call 410-767-2996 to request a paper application.
3. Mail or fax completed applications to:

DLLR Tax Credit Program
1100 N. Eutaw Street, Rm. 201-203
Baltimore, Maryland 21201
410 -767-2060 (FAX)

1. Upon receipt of the paper application, we will verify the out-of-state claim and e-mail you the results.

Q: How can I specifically seek out potential employees who would allow me to claim the credit?

1. The Maryland Workforce Exchange, the online employment site operated through DLLR's One-Stop Career Centers, will allow you to post your job opening with a stated preference for eligible UI claimants. Answer "Yes" to the question "Employer seeking eligible UI claimant [Yes/No] (Maryland Job Creation & Recovery Tax Credit)".
2. Likewise, job seekers through the Maryland Workforce Exchange will be able to find employers who are seeking eligible UI Claimants.
3. Contact the Business Service Representatives at your area One-Stop Career Center. You can find out how to contact your local center at the One-Stop Career Center web page.

Q. Can laid-off, former employees, who are now collecting unemployment benefits, be "rehired" and still considered for this tax credit?

Yes. The tax credit is available for newly created positions or positions which have been vacant for six months or more. So long as a position is newly created or has been vacant for six months or more and the other requirements of the law have been satisfied, the credit would be available for a position filled by a former employee who was laid off.

Q. We are a manufacturing company which plans to bring back employees after extended layoffs. If we apply and then have to layoff prior to the 12 month period, what happens?

The tax credit is available to a qualified employer for a qualified position that is expected to last indefinitely and without interruption for a period of 12 months or more. The credit is not available for temporary positions or those positions that an employer expects will last for fewer than 6 months. Companies are expected to be honest with their expectations - if you do not have a reasonable belief that the position will last indefinitely you may not claim the

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