MARYLAND FORM

MW508CR

BUSINESS INCOME TAX CREDITS

To be used by nonprofit 501(c)(3) organizations only. ATTACH TO YOUR MW508.

2023

23508C099

Print Using Blue or Black Ink Only

Federal Employer Identification Number

Central Registration Number

Name as shown on Form MW508

PART C - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT

PART C-I CREDIT FOR EMPLOYEES WITH A DISABILITY

1. Number of qualified employees. First year ____ Second year ____
2. Credit for first year (30% of first $15,000 of wages paid to each employee) . . . 2. ____ . ____
3. Credit for second year (30% of first $15,000 of wages paid to each employee) . . . 3. ____ . ____
4. Total (Add lines 2 and 3.) . . . 4. ____ . ____

PART C-II CREDIT FOR CHILD CARE AND TRANSPORTATION EXPENSES

5. Number of qualified employees. First year ____ Second year ____
6. Credit for first year (limited to a combined total of $1,500 in child care and transportation expenses per qualified employee with a disability) . . . 6. ____ . ____
7. Credit for second year (limited to a combined total of $1,500 in child care and transportation expenses per qualified employee with a disability) . . . 7. ____ . ____
8. Total (Add lines 6 and 7.) . . . 8. ____ . ____

PART C - SUMMARY

9. Total Maryland Disability Employment Tax Credit for the current tax year (Add lines 4 and 8.) . . 9. ____ . ____

PART M - COMMUTER TAX CREDIT

1. Amount of commuter benefits paid . . . 1. ____ . ____
2. Enter 50% of line 1 . . . 2. ____ . ____
3. Number of employees for which commuter benefits were paid . . . 3. ____
4. Multiply the number of employee-months ____ by $100. . . . 4. ____ . ____
5. Enter the lesser of line 2 or line 4 . . . 5. ____ . ____

PART O- WORK OPPORTUNITY TAX CREDIT

1. Federal work opportunity credit. Enter the amount from federal Form 5884-C, line 6. . . . 1. ____ . ____
2. Multiply qualified wages used to calculate the federal work opportunity credit paid to Maryland employees who worked for you for at least 400 hours ____ . ____ by .26 . . . 2. ____ . ____
3. Multiply qualified wages used to calculate the federal work opportunity credit paid to Maryland employees who worked for you for at least 120 hours but fewer than 400 hours ____ . ____ by .1625 . . . 3. ____ . ____
4. Maryland Work Opportunity Credit. Add lines 2 and 3 and multiply by .5. . . . 4. ____ . ____

PART BB - BUSINESS TAX CREDIT SUMMARY

1. Total Maryland Disability Employment Tax Credit from PART C, line 9 . . . 1. ____ . ____
2. Total Commuter Tax Credit from PART M, line 5 . . . 2. ____ . ____
3. Total Work Opportunity Tax Credit from PART O, line 4 . . . 3. ____ . ____
4. Total (Add lines 1, 2, and 3.) Enter on line 3d of Form MW508 . . . 4. ____ . ____

MARYLAND FORM

MW508CR

BUSINESS INCOME TAX CREDITS INSTRUCTIONS

To be used by nonprofit 501(c)(3) organizations only. ATTACH TO YOUR MW508.

2023

GENERAL INSTRUCTIONS

Purpose MW508CR is used to claim the following business tax credits against employer withholding tax (tax-exempt organizations only). The paper version of Form 500CR has been discontinued. Form MW508CR has been created to allow employers who are tax-exempt under IRC 501(c)(3) to claim a business tax credit against the Maryland withholding tax. See Administrative Release 34 for more information.

Tax Credit	Part
Commuter Tax Credit*	M
Maryland Disability Employment Tax Credit*	C
Work Opportunity Tax Credit	O

***Tax-exempt organizations** For application of these credits against employer withholding tax, complete and attach Form MW508CR to Form MW508 (Annual Employer Withholding Reconciliation Return). See Administrative Release 34.

Tax Year or Period Use this form to accompany the 2023 Form MW508.

When and Where to File Form MW508CR must be attached to the annual return (Form MW508) and filed with the **Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411-0001.**

PART C - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT

General Requirements Businesses that employ persons with disabilities, as determined by the Division of Rehabilitation Services (DORS) in the Maryland State Department of Education and/or by the Maryland Department of Labor may be eligible for tax credits for wages paid to, and for child care expenses and transportation expenses paid on behalf of, qualified employees.

Qualifying employees with a disability are those who are certified as such by the DORS (or by the DLLR for a disabled veteran).

For certification or for additional information, contact:

Maryland State Department of Education
Division of Rehabilitation Services
2301 Argonne Drive
Baltimore, MD 21218
1-888-554-0334 or 410-554-9442
dors.maryland.gov

or,

Maryland Department of Labor
1100 N. Eutaw St., Room 201
Baltimore, MD 21201
410-767-2047

A "Qualified Employee" with a disability means an individual who:

1. meets the definition of an individual with a disability as defined by the Americans with Disability Act;
2. has a disability that presently constitutes an impediment to obtaining or maintaining employment or to transitioning from school to work; and
3. is ready for employment; or
4. is a veteran who has been discharged or released from active duty by the American Armed Forces for a service-connected disability.

An employee must not have been hired to replace a laid-off employee or to replace an employee who is on strike or for whom the business simultaneously receives federal or state employment training benefits.

Qualifying child care expenses are those expenses incurred by a business to enable a qualified employee with a disability to be gainfully employed.

Transportation expenses are those expenses incurred by a business entity to enable a qualified employee with a disability to travel to and from work.

Specific Requirements

Part C-I Credit for employees with a disability hired A credit is allowed for each new employee with a disability for a two-year period beginning with the year the employee was qualified. The credit for each disabled employee hired is equal to 30% of the first $15,000 of qualified first year wages and 30% of the first $15,000 of qualified second year wages.

The employer is not entitled to claim the credit until employment has continued for at least one full year unless the employee: (a) voluntarily leaves the employer, (b) becomes further disabled or death occurs or (c) is terminated for cause. The credit must be prorated for the portion of the year the employee worked unless the employee voluntarily left to take another job.

Part C-II Credit for Child Care and Transportation Expenses An additional credit is allowed for expenses incurred by the employer for approved day care services for a child or children of a qualified employee, or for transportation expenses that are incurred to enable a qualified employee to travel to and from work. A credit of up to $1,500 is allowed for the first year of employment and up to $1,500 for the second year. To verify if a child care center qualifies as an approved provider, contact the Department of Human Resources, Child Care Administrator for the county or city in which the child care center is located.

Part C-Summary Add lines 4 and 8.

PART M - COMMUTER TAX CREDIT

A credit is allowed for businesses that conduct or operate a trade or business in Maryland and provide commuter benefits for their employees.

The business must pay a portion of the cost of travel between the employee's home and the workplace. Qualified commuter benefits include the cost of transit instruments (tickets, passes, vouchers, fare cards, smartcards and tokens) used to transport an employee of the business to or from home and the workplace. The portion of the cost an employer pays to provide a "Guaranteed Ride Home" program or for a parking "Cash-Out" program for their employees also are qualified commuter benefits.

Travel must be on a qualified mass transit vehicle or system, or in a vanpool. The vanpool vehicle must seat at least 6 adults and be used primarily to transport employees between home and the workplace.

The credit is the lesser of 50% of the cost of providing commuter benefits or $100 per month for each employee.

For more information contact:

Mass Transit Administration, Marketing Division
6 St. Paul Street, 2nd Floor
Baltimore, MD 21202-1614
410-767-8746
www.commuterchoicemaryland.com

PART O - WORK OPPORTUNITY TAX CREDIT

A credit is allowed for wages paid to a qualified individual with barriers to employment who is employed in the State. The credit is limited to 50% of the federal work opportunity credit properly claimed on the employer's federal income tax return for qualifying Maryland wages, excluding any amount carried back or forward from another taxable year.

PART BB - BUSINESS TAX CREDIT SUMMARY

This part is used to summarize all available tax credits reported on this form. If the total credits available in a particular tax year exceed the withholding tax developed for that year, the excess may not be refunded.