



## HOUSE BILL 92

### Labor and Employment – Job Creation and Recovery Tax Credit

February 4, 2010

#### POSITION: Support

Madame Chair and Members of the Ways and Means Committee:

On behalf of the members of the *Restaurant Association of Maryland*, we strongly support House Bill 92, which would provide for a state income tax credit of \$3,000 per worker for employers who hire individuals who are currently unemployed.

The restaurant and hospitality industry has long been a jobs provider for various constituencies. Many Maryland restaurateurs have taken advantage of welfare-to-work tax credits that help individuals transition from temporary assistance programs to self-supporting jobs. On a broader scale, nearly half of adults nationwide have worked in the restaurant industry at some point in their lives, and more than one in four adults got their first job experience in a restaurant. Statewide, restaurants employ over 175,000 Marylanders at over 9,000 establishments.

Like other industries, we have suffered declining sales as a result of the recession. However, in a recent survey of our membership, 30 percent of respondents expect 2010 sales to be better than 2009. Approximately 48 percent expect sales to be about same as 2009, and 21 percent expect lower sales. This means that some of our businesses will likely be in a position to hire this year. The tax incentive provided by this legislation will provide an additional incentive for these businesses to hire an employee who is currently receiving unemployment insurance benefits or has exhausted benefits within the last 12 months.

While this tax credit will by no means offset the net cost of hiring an employee, many employers welcome any kind of assistance they can get right now. Moreover, we hope that Congress will pass a similar federal credit so that Maryland employers can benefit from both incentives.

We sincerely appreciate the Governor's support of the business community by proposing this legislation. We request that you give HB 92 a favorable report.

Respectfully submitted,

Melvin R. Thompson  
Senior Vice President  
Government Affairs and Public Policy