C8 7lr1376 CF SB 873

By: Delegate Walker (By Request - Tax Credit Evaluation Committee)

Introduced and read first time: February 8, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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Economic Development - Job Creation Tax Credit - Alteration

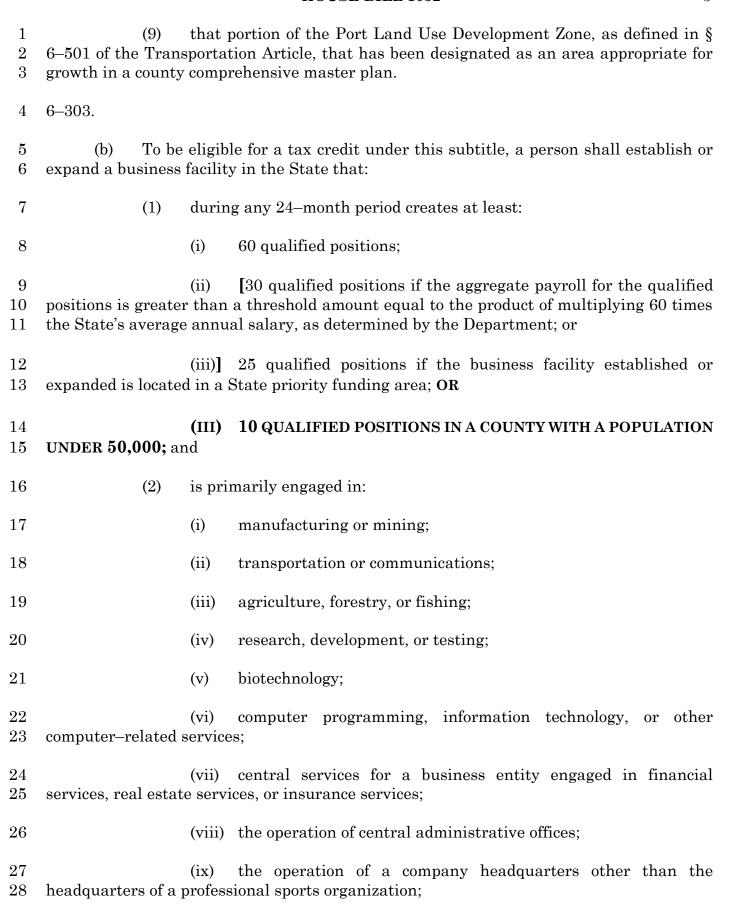
3 FOR the purpose of altering the definitions of "qualified position" and "State priority 4 funding area" for purposes of the job creation tax credit program; altering a 5 requirement related to the number of positions a person is required to create in order 6 to be eligible for the tax credit; authorizing the Department of Commerce to require 7 that certain information be verified by the Department of Labor, Licensing, and 8 Regulation rather than by an independent auditor; requiring the Department of 9 Commerce to certify the amount of the tax credit for which a qualified business entity is eligible; prohibiting the Department of Commerce from certifying tax credits in a 10 11 taxable year in excess of a certain amount; altering the manner in which the tax 12 credit shall be claimed; repealing an authorization allowing the Department of 13 Commerce to require that certain information be verified by a certain independent 14 auditor; altering the contents of a certain report that the Department of Commerce 15 is required to submit; requiring the Maryland Insurance Commissioner to submit a 16 certain report; making a conforming change; providing for the application of this Act; 17 and generally relating to the job creation tax credit program.

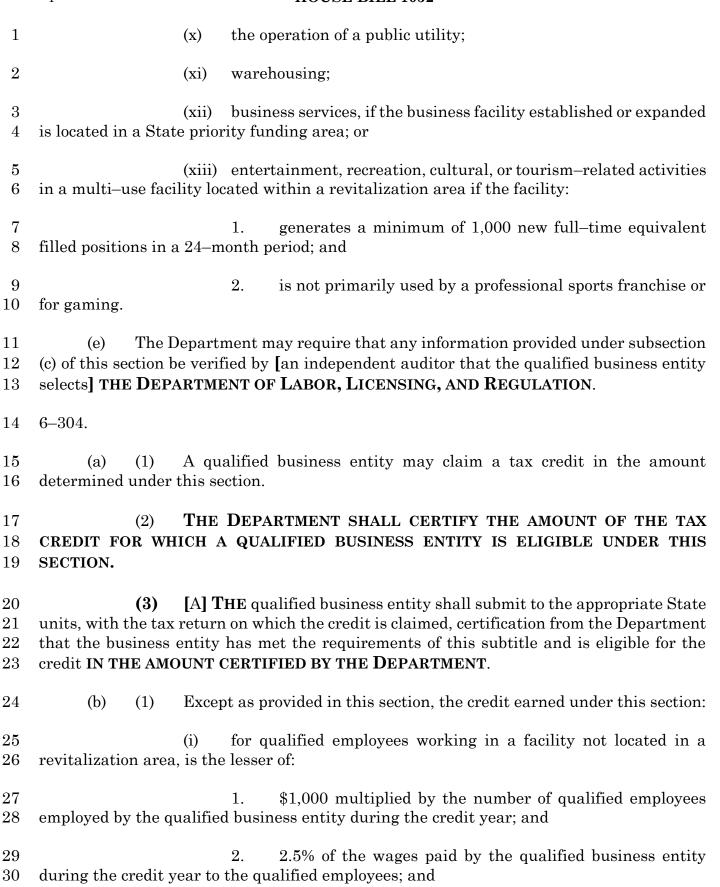
- 18 BY repealing and reenacting, without amendments.
- 19 Article Economic Development
- 20 Section 6–301(a)
- 21 Annotated Code of Maryland
- 22 (2008 Volume and 2016 Supplement)
- 23 BY repealing and reenacting, with amendments,
- 24 Article Economic Development
- 25 Section 6–301(d)(1) and (f), 6–303(b) and (e), 6–304, 6–305(c), 6–307, and 6–309
- 26 Annotated Code of Maryland
- 27 (2008 Volume and 2016 Supplement)

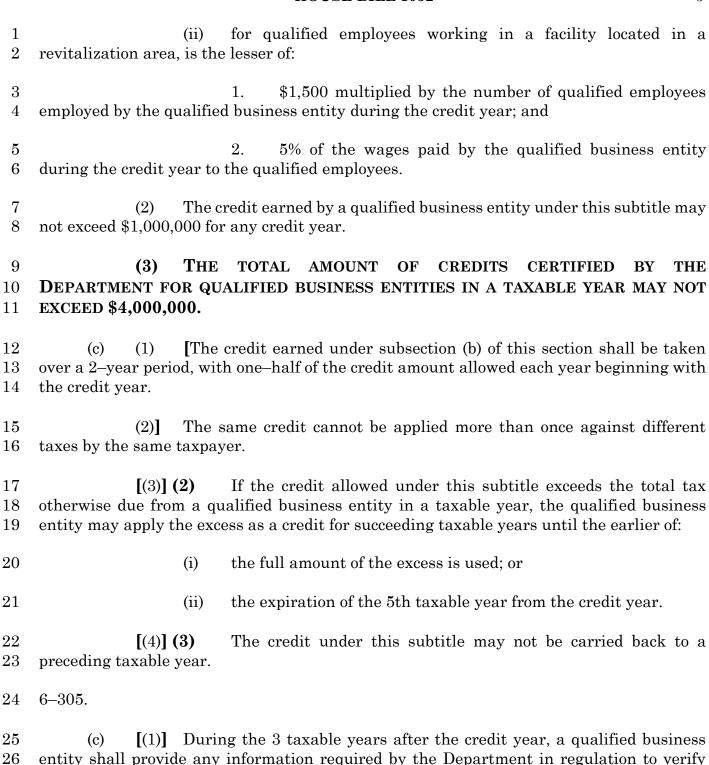
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and

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 1 2 That the Laws of Maryland read as follows: 3 Article - Economic Development 6-301. 4 In this subtitle the following words have the meanings indicated. 5 (a) (d) "Qualified position" means a position that: 6 (1) 7 (i) is full-time and of indefinite duration; 8 pays at least 150% of the [federal] STATE minimum wage; (ii) 9 (iii) is located in the State; 10 (iv) is newly created as a result of the establishment or expansion of a business facility in a single location in the State; and 11 12 is filled. (v) (f) "State priority funding area" means: 13 14 a municipal corporation; (1) 15 (2) Baltimore City; a sustainable community, as defined in § 6-301 of the Housing and 16 Community Development Article; 17 18 (4) an enterprise zone designated by the Secretary under § 5–704 of this article: 19 20 an enterprise zone designated by the United States government under (5)21 42 U.S.C. §§ 11501 through 11505; 22 those areas of the State located between Interstate Highway 495 and (6)23the District of Columbia; 24those areas of the State located between Interstate Highway 695 and (7)Baltimore City; 2526 [no more than one] ANY area in a county designated by the county as a (8)priority funding area under § 5–7B–03(c) of the State Finance and Procurement Article; 27







[(2) The Department may require that any information provided under this subsection be verified by an independent auditor that the qualified business entity selects.]

that the qualified business entity is not subject to subsection (a) or (b) of this section.

30 6–307.

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- 1 **(A)** In accordance with § 2.5–109 of this article, the Department shall submit a 2 report on:
- 3 (1) [the] EACH business [entities] ENTITY certified as eligible for job 4 creation tax credits in the preceding [fiscal] TAXABLE year;
- 5 (2) WHETHER THE CREDITS FOR WHICH THE BUSINESS ENTITY WAS 6 CERTIFIED RESULTED FROM THE ENTITY'S ESTABLISHMENT, EXPANSION, OR 7 RELOCATION;
- 8 (3) WHETHER THE BUSINESS ENTITY HAD A PRESENCE IN THE STATE 9 BEFORE CLAIMING THE CREDIT;
- 10 (4) THE TOTAL NUMBER OF EMPLOYEES OF THE BUSINESS ENTITY; 11 AND
- 12 (5) THE TOTAL NUMBER OF YEARS THAT THE BUSINESS ENTITY HAS 13 BEEN IN BUSINESS.
- 14 (B) IN ACCORDANCE WITH § 2–110 OF THE INSURANCE ARTICLE, THE 15 MARYLAND INSURANCE COMMISSIONER SHALL SUBMIT A REPORT ON:
- 16 (1) EACH INSURER CLAIMING THE CREDIT AGAINST THE INSURANCE 17 PREMIUM TAX UNDER § 6–114 OF THE INSURANCE ARTICLE;
- 18 (2) THE TOTAL AMOUNT OF CREDITS CLAIMED BY INSURERS UNDER § 19 6–114 OF THE INSURANCE ARTICLE; AND
- 20 (3) THE NUMBER OF INSURERS CLAIMING THE CREDIT.
- 21 6-309.
- 22 (a) Subject to subsection (b) of this section, this subtitle and the tax credit 23 authorized under it shall terminate on January 1, 2020.
- 24 (b) After termination of this subtitle:
- 25 (1) a business entity may be considered for eligibility for the tax credit 26 authorized under this subtitle based on positions filled before termination of this subtitle, 27 provided that the other requirements of the subtitle are satisfied; and
- 28 (2) tax credits earned [may be allowed ratably over a 2-year period,] may 29 be carried forward[,] and are subject to recapture in accordance with § 6-305 of this 30 subtitle.

- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1
- 1, 2017, and shall be applicable to job creation tax credits certified after December 31, 2017.