

HOUSE BILL 861

Q8, L2

0lr0314

By: **Montgomery County Delegation**

Introduced and read first time: February 10, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Enterprise Zones – County Tax Credits**

3 **MC 2–10**

4 FOR the purpose of authorizing Montgomery County to allow, by law, a business
5 entity that is not eligible for a certain tax credit to claim a credit against county
6 taxes for certain improvements to properties located in an enterprise zone;
7 requiring the governing body of Montgomery County to provide for calculation
8 of the amount of the credit and to specify which county tax or taxes the credit
9 applies to, the improvements eligible for the credit, the qualifications for
10 eligibility, the conditions of certification, and the process for application for the
11 credit; authorizing Montgomery County to impose limits on the amount of
12 credits issued for any taxable year; authorizing Montgomery County to make
13 the credit refundable; authorizing Montgomery County to provide for the
14 recapture of the credit; and generally relating to the authority of Montgomery
15 County to authorize a credit against county taxes for improvements to property
16 located in an enterprise zone.

17 BY adding to

18 Article – Economic Development

19 Section 5–710

20 Annotated Code of Maryland

21 (2008 Volume and 2009 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article – Economic Development**

25 **5–710.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A) IN THIS SECTION, “ELIGIBLE BUSINESS ENTITY” MEANS A PERSON**
2 **WHO OPERATES OR CONDUCTS A TRADE OR BUSINESS AND IS NOT ELIGIBLE FOR**
3 **THE PROPERTY TAX CREDIT UNDER § 9–103 OF THE TAX – PROPERTY ARTICLE.**

4 **(B) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY, BY LAW,**
5 **ALLOW AN ELIGIBLE BUSINESS ENTITY TO CLAIM A CREDIT AGAINST A COUNTY**
6 **TAX FOR IMPROVEMENTS TO PROPERTY LOCATED IN AN ENTERPRISE ZONE.**

7 **(C) (1) A LAW THAT AUTHORIZES A CREDIT UNDER THIS SECTION**
8 **SHALL:**

9 **(I) SPECIFY WHICH COUNTY TAX OR TAXES THE CREDIT**
10 **APPLIES TO;**

11 **(II) DEFINE THE IMPROVEMENTS ELIGIBLE FOR THE TAX**
12 **CREDIT;**

13 **(III) SPECIFY THE QUALIFICATIONS FOR ELIGIBILITY,**
14 **CONDITIONS OF CERTIFICATION, AND PROCESS FOR APPLICATION FOR THE TAX**
15 **CREDIT; AND**

16 **(IV) PROVIDE FOR CALCULATION OF THE AMOUNT OF THE**
17 **TAX CREDIT.**

18 **(2) A LAW THAT AUTHORIZES A CREDIT UNDER THIS SECTION**
19 **MAY:**

20 **(I) LIMIT THE TOTAL AMOUNT OF TAX CREDITS THAT MAY**
21 **BE AUTHORIZED IN A YEAR;**

22 **(II) ALLOW A REFUND OF THE TAX CREDIT IF THE CREDIT**
23 **OTHERWISE EXCEEDS THE TOTAL TAX PAYABLE; AND**

24 **(III) PROVIDE FOR THE RECAPTURE OF THE CREDIT.**

25 **(D) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY IMPOSE**
26 **ANY ADDITIONAL LIMITATIONS NECESSARY TO ADMINISTER THE TAX CREDIT.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2010.