

SENATE BILL 477

C8

(2lr2451)

ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senators Klausmeier, Kittleman, Astle, Colburn, DeGrange, Forehand, Kasemeyer, Middleton, Robey, Rosapepe, ~~and Stone~~ Stone, Brinkley, Currie, Edwards, Jones-Rodwell, King, Madaleno, Manno, and Peters**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Job Creation Tax Credit – ~~Amount of Credit and~~ Termination Provisions**

3 FOR the purpose of altering the ~~determination of the amount~~ *termination provisions* of
4 a certain job creation tax credit earned by a qualified business entity under
5 certain circumstances; ~~altering the termination provisions for the tax credit;~~
6 ~~providing for the application of this Act;~~ and generally relating to the job
7 creation tax credit program.

8 BY repealing and reenacting, without amendments,
9 Article – Economic Development
10 Section 6-301(e) *and 6-304(b)*
11 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 (2008 Volume and 2011 Supplement)

2 BY repealing and reenacting, with amendments,
 3 Article – Economic Development
 4 Section ~~6–304(b)~~ and 6–309
 5 Annotated Code of Maryland
 6 (2008 Volume and 2011 Supplement)

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

9 **Article – Economic Development**

10 6–301.

11 (e) “Revitalization area” means:

12 (1) an enterprise zone designated by the Secretary under § 5–704 of
 13 this article;

14 (2) an enterprise zone designated by the United States government
 15 under 42 U.S.C. §§ 11501 through 11505;

16 (3) an empowerment zone or enterprise community designated by the
 17 United States government under 26 U.S.C. §§ 1391 through 1397F; or

18 (4) a sustainable community, as defined in § 6–301 of the Housing and
 19 Community Development Article.

20 6–304.

21 (b) (1) Except as provided in this section, the credit earned under this
 22 section:

23 (i) for qualified employees working in a facility not located in a
 24 revitalization area, is the lesser of:

25 1. ~~[\$1,000]~~ ~~\$5,000~~ ~~\$3,000~~ multiplied by the number of
 26 qualified employees employed by the qualified business entity during the credit year;
 27 ~~and~~ **OR**

28 2. ~~[2.5%]~~ ~~12.5%~~ ~~7.5%~~ of the wages paid by the qualified
 29 business entity during the credit year to the qualified employees; and

30 (ii) for qualified employees working in a facility located in a
 31 revitalization area, is the lesser of:

1 1. ~~[\$1,500]~~ ~~\$7,500~~ ~~\$4,500~~ multiplied by the number of
2 qualified employees employed by the qualified business entity during the credit year;
3 ~~and OR~~

4 2. ~~[5%]~~ ~~25%~~ ~~15%~~ of the wages paid by the qualified
5 business entity during the credit year to the qualified employees.

6 (2) The credit earned by a qualified business entity under this subtitle
7 may not exceed \$1,000,000 for any credit year.

8 6-309.

9 (a) ~~(1)~~ Subject to ~~paragraph (2)~~ **SUBSECTION (B)** of this ~~subsection~~
10 **SECTION**, this subtitle and the tax credit authorized under it shall terminate on
11 January 1, ~~[2014]~~ **2020**.

12 ~~(2) (B) As provided in this subtitle, for taxable years beginning on~~
13 ~~or after January 1, [2014] 2020, tax credits earned in credit years beginning before~~
14 ~~January 1, [2014] 2020, may~~ **AFTER TERMINATION OF THIS SUBTITLE:**

15 **(1) A BUSINESS ENTITY MAY BE CONSIDERED FOR ELIGIBILITY**
16 **FOR THE TAX CREDIT AUTHORIZED UNDER THIS SUBTITLE BASED ON POSITIONS**
17 **FILLED BEFORE TERMINATION OF THIS SUBTITLE, PROVIDED THAT THE OTHER**
18 **REQUIREMENTS OF THE SUBTITLE ARE SATISFIED; AND**

19 **(2) TAX CREDITS EARNED MAY** be allowed ratably over a 2-year
20 period, may be carried forward, and are subject to recapture in accordance with §
21 6-305 of this subtitle.

22 ~~(b) The tax credit authorized under this subtitle:~~

23 ~~(1) may be claimed only for qualified positions at a newly established~~
24 ~~or expanded business facility that commences operations before January 1, [2013]~~
25 ~~2019; and~~

26 ~~(2) may not be earned for a credit year beginning on or after January~~
27 ~~1, [2014] 2020.~~

28 ~~SECTION 2. AND BE IT FURTHER ENACTED, That § 6-304(b) of the~~
29 ~~Economic Development Article, as amended by this Act, shall be applicable to the job~~
30 ~~creation tax credit earned by a person certified as a qualified business entity on or~~
31 ~~after July 1, 2012.~~

1 SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect July 1, 2012.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.