

Chapter 521

(Senate Bill 477)

AN ACT concerning

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

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

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 6–301(e) *and 6–304(b)*
Annotated Code of Maryland
(2008 Volume and 2011 Supplement)

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

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

Article – Economic Development

6–301.

(e) “Revitalization area” means:

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

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

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

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

6-304.

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

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

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

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

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

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

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

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

6-309.

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

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

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

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

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

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

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

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

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

Approved by the Governor, May 22, 2012.