

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 558

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, after "By:" insert "The President (Administration) and".

AMENDMENT NO. 2

On page 1, in line 11, after "regulations;" insert "requiring the Department of Business and Economic Development to adopt certain regulations; requiring certain reports; disallowing certain positions that are filled by individuals qualifying for a certain other tax credit from qualifying for the credit;"; and in line 19, strike "5-1106" and substitute "5-1107".

On page 2, after line 1, insert:

"BY repealing and reenacting, with amendments,

Article 83A - Department of Business and Economic Development

Section 5-1104(d)

Annotated Code of Maryland

(1995 Replacement Volume)

(As enacted by Section 1 of this Act)".

AMENDMENT NO. 3

On page 4, in lines 4 and 8, in each instance, strike "100" and substitute "60"; in line 6, after "OF" insert "AT LEAST 30"; in line 7, strike "WITH AN" and substitute "IF THE"; and in the same line, after "PAYROLL" insert "FOR THE NEW JOBS IS".

AMENDMENT NO. 4

On page 2, after line 19, insert:

"(D) (1) "COMPANY HEADQUARTERS" MEANS A FACILITY WHERE THE

(Over)

MAJORITY OF THE BUSINESS ENTITY'S FINANCIAL, PERSONNEL, LEGAL, AND PLANNING FUNCTION ARE OPERATED ON A REGIONAL OR NATIONAL BASIS.

(2) "COMPANY HEADQUARTERS" DOES NOT INCLUDE THE HEADQUARTERS OF A PROFESSIONAL SPORTS ORGANIZATION.”;

in line 20, strike “(D)” and substitute “(E)”; in line 23, after “MANUFACTURING” insert “OR MINING”; in line 33, strike “OR” and substitute:

“(10) AGRICULTURE, FORESTRY, AND FISHING; OR”;

and in line 34, strike “(10)” and substitute “(11)”.

On page 3, in lines 1, 18, and 29, strike “(E)”, “(F)”, and “(G)”, respectively, and substitute “(F)”, “(G)”, and “(H)”, respectively.

On page 4, in line 5, after “EMPLOYEES” insert “DURING ANY 24-MONTH PERIOD”; in line 14, after “MANUFACTURING” insert “OR MINING”; in line 24, strike “OR” and substitute:

“(X) AGRICULTURE, FORESTRY, OR FISHING; OR”;

and in line 25, strike “(X)” and substitute “(XI)”.

AMENDMENT NO. 5

On page 3, in line 13, after “INCLUDE” insert “A POSITION THAT IS”; strike beginning with “OR” in line 14, down through the period in line 17, and substitute:

“(II) CREATED WHEN AN EMPLOYMENT FUNCTION IS SHIFTED FROM AN EXISTING BUSINESS FACILITY OF THE BUSINESS ENTITY LOCATED IN MARYLAND TO ANOTHER BUSINESS FACILITY OF THE SAME BUSINESS ENTITY WITH SUBSTANTIALLY THE SAME OWNERSHIP;

(III) CREATED THROUGH A CONSOLIDATION, MERGER, OR RESTRUCTURING OF A BUSINESS ENTITY AND THE POSITION DOES NOT REPRESENT A NET NEW JOB IN THE STATE; OR

(IV) CREATED WHEN AN EMPLOYMENT FUNCTION IS CONTRACTUALLY SHIFTED FROM AN EXISTING BUSINESS ENTITY LOCATED IN THE

STATE TO ANOTHER BUSINESS ENTITY, AND THE POSITION DOES NOT REPRESENT A NET NEW JOB IN THE STATE.”;

and in line 29, after “EMPLOYEE” insert “WHO IS A MARYLAND RESIDENT ON THE LAST DAY OF THE CALENDAR YEAR”.

AMENDMENT NO. 6

On page 5, in lines 1 and 4, in each instance, strike “MULTIPLIED TIMES THE NUMBER OF” and substitute “FOR EACH”; in the same lines, in each instance, strike “EMPLOYEES” and substitute “EMPLOYEE”; and after line 14, insert:

“(III) FOR EACH QUALIFIED FULL-TIME EMPLOYEE EMPLOYED DURING THE CREDIT YEAR WHO MEETS THE DEFINITION OF A DISABLED INDIVIDUAL UNDER § 21-401 OF THE EDUCATION ARTICLE, THE CREDIT EARNED UNDER THIS SECTION IS \$1,500 INSTEAD OF \$1,000.”.

AMENDMENT NO. 7

On page 6, in line 21, strike “5” and substitute “3”; in line 25, after “FALLS” insert “MORE THAN 5%”; in line 26, strike “100” and substitute “THE AVERAGE NUMBER OF QUALIFIED POSITIONS CREATED DURING THE CREDIT YEAR ON WHICH THE CREDIT WAS COMPUTED”; in line 31, strike “5” and substitute “3”; and in line 34, after “FALLS” insert “MORE THAN 5%”.

AMENDMENT NO. 8

On page 6, after line 36, insert:

“(F) (1) IN ORDER TO RECEIVE CERTIFICATION THAT A BUSINESS ENTITY IS ELIGIBLE TO RECEIVE THE TAX CREDIT PROVIDED UNDER THIS SUBTITLE, A BUSINESS ENTITY SHALL SUBMIT THE FOLLOWING TO THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE DEPARTMENT:

(I) THE EFFECTIVE DATE OF THE START-UP OR EXPANSION;

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(II) THE NUMBER OF FULL-TIME EMPLOYEES PRIOR TO THE START-UP OR EXPANSION AND THE PAYROLL OF THE EXISTING EMPLOYEES;

(III) THE NUMBER OF QUALIFIED POSITIONS CREATED, QUALIFIED FULL-TIME EMPLOYEES HIRED, AND THE PAYROLL OF THOSE EMPLOYEES; AND

(IV) ANY OTHER INFORMATION THAT THE DEPARTMENT REQUIRES BY REGULATION.

(2) THE DEPARTMENT MAY REQUIRE ANY INFORMATION REQUIRED UNDER THIS SUBSECTION TO BE VERIFIED BY AN INDEPENDENT AUDITOR SELECTED BY THE BUSINESS ENTITY.”.

AMENDMENT NO. 9

On page 6, in line 38, before “THE” insert “(A)”; in the same line, strike the colon; in line 39, strike “(1)”; in line 40, strike “THIS SUBTITLE; AND” and substitute “§10-704.4 OF THE TAX - GENERAL ARTICLE.”; and after line 40, insert:

“(B) THE SECRETARY OF THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT SHALL ADOPT REGULATIONS TO”.

On page 7, in line 1, strike “(2)”; in lines 2, 3, and 4, in each instance, strike “(I)”, “(II)”, and “(III)”, respectively, and substitute “(1)”, “(2)”, and “(3)”, respectively; after line 4, insert:

“(C) THE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL ADOPT REGULATIONS TO PROVIDE FOR THE COMPUTATION, CARRYOVER, AND RECAPTURE OF THE CREDIT UNDER §§ 8-214 AND 8-411 OF THE TAX - GENERAL ARTICLE.

(D) THE MARYLAND INSURANCE COMMISSIONER SHALL ADOPT REGULATIONS TO PROVIDE FOR THE COMPUTATION, CARRYOVER, AND RECAPTURE OF THE CREDIT UNDER ARTICLE 48A, § 632 OF THE CODE.”;

in line 6, strike “(A)”; and strike in their entirety lines 9 through 13.

On page 8, after line 18, insert:

“Article 83A - Department of Business and Economic Development

5-1104.

(d) The Maryland Insurance Commissioner shall adopt regulations to provide for the computation, carryover, and recapture of the credit under [Article 48A, § 632 of the Code] § 6-114 OF THE INSURANCE ARTICLE.”.

AMENDMENT NO. 10

On page 7, after line 32, insert:

“5-1107.

THE DEPARTMENT SHALL REPORT TO THE GOVERNOR, THE SENATE BUDGET AND TAXATION COMMITTEE, AND THE HOUSE COMMITTEE ON WAYS AND MEANS BY DECEMBER 1 EACH YEAR THE BUSINESS ENTITIES CERTIFIED AS ELIGIBLE FOR TAX CREDITS UNDER THIS SUBTITLE IN THE PRECEDING FISCAL YEAR.”.

On page 8, after line 23, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That, the Department of Business and Economic Development shall conduct a study to evaluate the impact of the availability of the tax credit authorized by this Act has had on the State’s ability to attract new business facilities to the State, and to encourage expansion of existing business facilities to the State. The Department shall include in its study an estimate of the impact that the tax credit has had on employment levels in the State, an estimate of the amount of reduced tax revenues resulting from the tax credits granted, and an analysis of the types of employers qualifying for the credit. The Department shall report its findings to the Senate Budget and Taxation Committee and the House Committee on Ways and Means by January 1, 2000.”;

and in lines 24, 29, and 31, strike “3.”, “4.”, and “5.”, respectively, and substitute “4.”, “5.”, and “6.”, respectively.

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AMENDMENT NO. 11

On page 7, in lines 17, 23, 25, and 26, in each instance, strike “2001” and substitute “2002”; and in line 20, strike “2000” and substitute “2001”.