

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 539

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “income” insert “subject to a requirement that the income shall be reinvested in certain areas of the State in a certain manner; providing that the Department of Business and Economic Development and the Comptroller shall provide certain certifications”; in the same line, strike “and”; and in line 6, after “Act” insert “; and generally relating to a credit against the Maryland income tax to limit the amount of State and county income taxes payable for any taxable year by an individual on certain capital gain income”.

AMENDMENT NO. 2

On page 2, in line 8, after “(A)” insert “(1)”; in the same line, strike the comma and substitute “THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2)”;

in lines 10 and 12, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; after line 13, insert:

“(3) “QUALIFIED DISTRESSED COUNTY” MEANS A COUNTY, INCLUDING BALTIMORE CITY, FOR WHICH:

(I) THE AVERAGE RATE OF UNEMPLOYMENT FOR THE MOST RECENT 18-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE IS GREATER THAN 150% OF THE AVERAGE RATE OF UNEMPLOYMENT FOR THE ENTIRE STATE DURING THAT SAME PERIOD; OR

(II) THE AVERAGE PER CAPITA PERSONAL INCOME FOR THE MOST RECENT 24-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE IS EQUAL TO

(Over)

OR LESS THAN 67% OF THE AVERAGE PERSONAL PER CAPITA INCOME FOR THE ENTIRE STATE DURING THAT SAME PERIOD.

(4) "QUALIFIED POSITION" MEANS A POSITION THAT:

(I) IS A FULL-TIME POSITION AND IS OF INDEFINITE DURATION;

(II) PAYS AT LEAST 150% OF THE FEDERAL MINIMUM WAGE;

(III) IS LOCATED IN A QUALIFIED DISTRESSED COUNTY IN MARYLAND;

(IV) IS NEWLY CREATED, AS A RESULT OF THE ESTABLISHMENT OR EXPANSION OF A BUSINESS PREMISES IN A SINGLE LOCATION IN THE QUALIFIED DISTRESSED COUNTY; AND

(V) IS FILLED.”;

in line 14, after “(B)” insert “SUBJECT TO SUBSECTION (C) OF THIS SECTION,”; and after line 20, insert:

“(C) (1) IN ORDER TO RECEIVE THE CREDIT UNDER THIS SECTION, ANY QUALIFIED CAPITAL GAIN REALIZED BY AN INDIVIDUAL MUST BE REINVESTED IN THE STATE AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION.

(2) THE REINVESTMENT OF GAIN SHALL BE PROVIDED BY THE INDIVIDUAL THROUGH:

(I) ESTABLISHING OR EXPANDING A BUSINESS PREMISES IN A QUALIFIED DISTRESSED COUNTY IN THE STATE ;

(II) CONSTRUCTING OR EXPANDING BY AT LEAST 5,000 SQUARE FEET A PREMISES ON WHICH BUSINESS IS CONDUCTED;

(III) CREATING AT LEAST 100 QUALIFIED POSITIONS AT THE NEW OR EXPANDED BUSINESS PREMISES DURING ANY 24-MONTH PERIOD; AND

(IV) CONDUCTING ACTIVITY AT THE NEW OR EXPANDED BUSINESS PREMISES IN THE QUALIFIED DISTRESSED COUNTY IN ONE OR MORE OF THE FOLLOWING AREAS:

1. MANUFACTURING OR MINING;
2. TRANSPORTATION OR COMMUNICATIONS;
3. FILM MAKING, RESORT, AND RECREATIONAL BUSINESS;
4. AGRICULTURE, FORESTRY, OR FISHING;
5. RESEARCH, DEVELOPMENT, OR TESTING;
6. BIOTECHNOLOGY;
7. COMPUTER PROGRAMMING, DATA PROCESSING, OR OTHER COMPUTER RELATED SERVICES;
8. CENTRAL FINANCIAL, REAL ESTATE, OR INSURANCE SERVICES;
9. THE OPERATION OF CENTRAL ADMINISTRATIVE OFFICES OR A COMPANY HEADQUARTERS;
10. A PUBLIC UTILITY;

11. WAREHOUSING; OR
12. BUSINESS SERVICES.

(3) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, IN CONSULTATION WITH THE COMPTROLLER, SHALL CERTIFY THAT THE INDIVIDUAL IS INVESTING FINANCIAL RESOURCES IN A QUALIFIED DISTRESSED COUNTY THAT IS REASONABLY EQUIVALENT TO THE QUALIFIED CAPITAL GAIN WITH RESPECT TO WHICH THE INDIVIDUAL IS ELIGIBLE FOR A CREDIT UNDER THIS SECTION.”.