

HOUSE BILL 1206

C8, Q3

3lr2109

By: **Delegates Mitchell, Anderson, Bromwell, Conaway, Guzzone, Olszewski,
and Vaughn**

Introduced and read first time: February 8, 2013

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Strategic Industry Partnership – Income Tax Credit**

3 FOR the purpose of allowing an individual or corporation a credit of a certain amount
4 against the State income tax for certain investments in certain strategic
5 industry partnerships; requiring the Department of Business and Economic
6 Development to certify the amount of the credit that may be claimed; providing
7 that the amount of credits certified may not exceed certain amounts; making
8 the credit refundable; requiring the Department, the Department of Labor,
9 Licensing, and Regulation, and the Comptroller to adopt certain regulations;
10 providing for the application of this Act; making this Act contingent on the
11 taking effect of another Act; and generally relating to an income tax credit for
12 certain industry partnerships.

13 BY repealing and reenacting, without amendments,
14 Article – Labor and Employment
15 Section 11–701(a) and (h)
16 Annotated Code of Maryland
17 (2008 Replacement Volume and 2012 Supplement)
18 (As enacted by Chapter ___ (S.B. 278/H.B. 227) of the Acts of the General
19 Assembly of 2013)

20 BY adding to
21 Article – Tax – General
22 Section 10–733
23 Annotated Code of Maryland
24 (2010 Replacement Volume and 2012 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Labor and Employment

1

2 11-701.

3 (a) In this subtitle the following words have the meanings indicated.

4 (h) “Strategic industry partnership” means a collaboration that brings
5 together a regional group that may include employers, nonprofits, institutions of
6 higher education, community colleges, local boards, local governments, or other
7 relevant partners to:8 (1) identify common workforce needs for high-demand occupations
9 within a target industry; and10 (2) develop and implement industry strategies to meet the common
11 workforce needs and shortages based on regional needs.12 **Article – Tax – General**13 **10-733.**14 **(A) IN THIS SECTION, “STRATEGIC INDUSTRY PARTNERSHIP” HAS THE**
15 **MEANING STATED IN § 11-701 OF THE LABOR AND EMPLOYMENT ARTICLE.**16 **(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN**
17 **INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE**
18 **INCOME TAX IN AN AMOUNT EQUAL TO 75% OF A MONETARY CONTRIBUTION TO**
19 **A STRATEGIC INDUSTRY PARTNERSHIP.**20 **(2) THE DEPARTMENT OF BUSINESS AND ECONOMIC**
21 **DEVELOPMENT SHALL CERTIFY THE AMOUNT OF THE TAX CREDIT THAT THE**
22 **INDIVIDUAL OR CORPORATION MAY CLAIM.**23 **(C) (1) THE DEPARTMENT OF BUSINESS AND ECONOMIC**
24 **DEVELOPMENT MAY NOT CERTIFY MORE THAN:**25 **(I) \$7,500,000 IN TAX CREDITS DURING ANY FISCAL YEAR;**
26 **OR**27 **(II) \$400,000 IN TAX CREDITS FOR ANY ONE STRATEGIC**
28 **INDUSTRY PARTNERSHIP DURING ANY FISCAL YEAR.**

1 **(2) THE DEPARTMENT OF BUSINESS AND ECONOMIC**
2 **DEVELOPMENT SHALL CERTIFY TAX CREDITS UNDER THIS SECTION IN THE**
3 **ORDER THAT THEY ARE APPLIED FOR.**

4 **(D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE**
5 **YEAR EXCEEDS THE STATE INCOME TAX OTHERWISE PAYABLE BY THE**
6 **INDIVIDUAL OR CORPORATION FOR THAT TAXABLE YEAR, THE INDIVIDUAL OR**
7 **CORPORATION MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.**

8 **(E) (1) THE DEPARTMENT OF BUSINESS AND ECONOMIC**
9 **DEVELOPMENT, THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION,**
10 **AND THE COMPTROLLER JOINTLY SHALL ADOPT REGULATIONS TO CARRY OUT**
11 **THE PROVISIONS OF THIS SECTION.**

12 **(2) THE REGULATIONS SHALL:**

13 **(I) ESTABLISH ELIGIBILITY CRITERIA FOR THE TAX**
14 **CREDITS; AND**

15 **(II) PROVIDE FOR THE APPLICATION AND CERTIFICATION**
16 **OF TAX CREDITS.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2013, and shall be applicable to all taxable years beginning after December 31,
19 2012, contingent on the taking effect of Chapter ____ (S.B. 278/H.B. 227) of the Acts of
20 the General Assembly of 2013, and if Chapter ____ (S.B. 278/H.B. 227) does not
21 become effective, this Act shall be null and void without the necessity of further action
22 by the General Assembly.