

SENATE BILL 779

Q3

3lr2896
CF HB 328

By: **Senator King**

Introduced and read first time: February 1, 2013

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2013

CHAPTER _____

1 AN ACT concerning

2 **Biotechnology Investment Tax Credit – Qualified Maryland Biotechnology**
3 **Company – Definition**

4 FOR the purpose of altering the definition of “qualified Maryland biotechnology
5 company” for purposes of the biotechnology investment tax credit to include a
6 company that has been in active business for a certain period of time from a
7 certain date; providing for the application of this Act; and generally relating to
8 credits against certain State taxes based on certain investments in certain
9 biotechnology companies.

10 BY repealing and reenacting, without amendments,
11 Article – Tax – General
12 Section 10–725(a)(1) and (6)
13 Annotated Code of Maryland
14 (2010 Replacement Volume and 2012 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Tax – General
17 Section 10–725(a)(7)
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2012 Supplement)

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

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.



1 Article – Tax – General

2 10–725.

3 (a) (1) In this section the following words have the meanings indicated.

4 (6) (i) “Qualified investor” means any individual or entity that
5 invests at least \$25,000 in a qualified Maryland biotechnology company and that is
6 required to file an income tax return in any jurisdiction.7 (ii) “Qualified investor” does not include a qualified pension
8 plan, individual retirement account, or other qualified retirement plan under the
9 Employee Retirement Income Security Act of 1974, as amended, or fiduciaries or
10 custodians under such plans, or similar tax–favored plans or entities under the laws of
11 other countries.12 (7) (i) “Qualified Maryland biotechnology company” means a
13 biotechnology company that:14 1. has its headquarters and base of operations in this
15 State;

16 2. has fewer than 50 full–time employees;

17 3. except as provided in subparagraph (ii) of this
18 paragraph, has been in active business no longer than 10 years;19 4. does not have its securities publicly traded on any
20 exchange; and21 5. has been certified as a biotechnology company by the
22 Department.

23 (ii) “Qualified Maryland biotechnology company” includes:

24 1. a company that has been in active business for up to
25 12 years if the Department determines that the company requires additional time to
26 complete the process of regulatory approval; [and]27 2. for fiscal years 2012 and 2013 only, a company that
28 has been in active business for up to 15 years; ~~AND OR~~29 3. **A COMPANY THAT HAS BEEN IN ACTIVE BUSINESS**
30 **NO LONGER THAN 10 YEARS FROM THE DATE THE COMPANY FIRST RECEIVED ~~AN~~**
31 **~~A QUALIFIED INVESTMENT BY A QUALIFIED INVESTOR ELIGIBLE TO RECEIVE A~~**
32 **~~CREDIT~~ UNDER THIS SECTION.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2013, and shall be applicable to all initial tax credit certificates issued after
3 June 30, 2013.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.