

SENATE BILL 779

Q3

3lr2896
CF HB 328

By: **Senator King**

Introduced and read first time: February 1, 2013

Assigned to: Budget and Taxation

A BILL ENTITLED

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:

22 **Article – Tax – General**

23 10–725.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (6) (i) “Qualified investor” means any individual or entity that
2 invests at least \$25,000 in a qualified Maryland biotechnology company and that is
3 required to file an income tax return in any jurisdiction.

4 (ii) “Qualified investor” does not include a qualified pension
5 plan, individual retirement account, or other qualified retirement plan under the
6 Employee Retirement Income Security Act of 1974, as amended, or fiduciaries or
7 custodians under such plans, or similar tax-favored plans or entities under the laws of
8 other countries.

9 (7) (i) “Qualified Maryland biotechnology company” means a
10 biotechnology company that:

11 1. has its headquarters and base of operations in this
12 State;

13 2. has fewer than 50 full-time employees;

14 3. except as provided in subparagraph (ii) of this
15 paragraph, has been in active business no longer than 10 years;

16 4. does not have its securities publicly traded on any
17 exchange; and

18 5. has been certified as a biotechnology company by the
19 Department.

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

21 1. a company that has been in active business for up to
22 12 years if the Department determines that the company requires additional time to
23 complete the process of regulatory approval; [and]

24 2. for fiscal years 2012 and 2013 only, a company that
25 has been in active business for up to 15 years; AND

26 **3. A COMPANY THAT HAS BEEN IN ACTIVE BUSINESS**
27 **NO LONGER THAN 10 YEARS FROM THE DATE THE COMPANY FIRST RECEIVED AN**
28 **INVESTMENT BY A QUALIFIED INVESTOR ELIGIBLE TO RECEIVE A CREDIT**
29 **UNDER THIS SECTION.**

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