

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 482

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “altering” in line 6 down through “year;” in line 8 and substitute “authorizing an individual or corporation to claim as a credit against the State income tax certain rental expenses under certain circumstances;”; and in line 12, strike “(b) and (c)(2)(i)”.

AMENDMENT NO. 2

On page 1, after line 18, insert:

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

(2) “Costs” means the costs to an individual or corporation for:

(i) security clearance administrative expenses incurred with regard to an employee in the State including, but not limited to:

1. processing application requests for clearances for employees in the State;

2. maintaining, upgrading, or installing computer systems in the State required to obtain federal security clearances; and

3. training employees in the State to administer the application process; and

(Over)

(ii) construction and equipment costs incurred to construct or renovate a sensitive compartmented information facility (“SCIF”) located in the State as required by the federal government.

(3) “Department” means the Department of Business and Economic Development.

(4) “Secretary” means the Secretary of Business and Economic Development.

**(5) “SMALL BUSINESS” HAS THE MEANING STATED IN § 7-218 OF THIS ARTICLE.”;**

in line 23, strike “and”; and after line 23, insert:

**“(2) EXPENSES INCURRED FOR RENTAL PAYMENTS OWED DURING THE FIRST YEAR OF A RENTAL AGREEMENT FOR SPACES LEASED IN THE STATE IF THE INDIVIDUAL OR CORPORATION IS A SMALL BUSINESS THAT PERFORMS SECURITY-BASED CONTRACTING, NOT TO EXCEED \$200,000; AND”.**

On page 2, in line 1, strike “(2)” and substitute “**(3)**”; after line 7, insert:

“(c) (1) By September 15 of the calendar year following the end of the taxable year in which the costs were incurred, an individual or a corporation shall submit an application to the Department for the credits allowed under subsection [(b)(1) and (2)] **(B)** of this section.”;

in line 8, strike “(c)”; in line 9, strike the opening bracket; in the same line, strike “**]** \$4,000,000”; and after line 10, insert:

“(ii) If the total amount of credits applied for by all individuals and corporations under subsection (b) of this section exceeds the maximum specified under subparagraph (i) of this paragraph, the Department shall approve a credit under subsection (b) of this section for each applicant in an amount equal to the product of multiplying the credit applied for by the applicant times a fraction:

1. the numerator of which is the maximum specified under subparagraph (i) of this paragraph; and

2. the denominator of which is the total of all credits applied for by all applicants under subsection (b) of this section in the calendar year.

(3) By December 15 of the calendar year following the end of the taxable year in which the costs were incurred, the Department shall certify to the individual or corporation the amount of tax credits approved by the Department for the individual or corporation under this section.

(4) To claim the approved credits allowed under this section, an individual or a corporation shall:

(i) file an amended income tax return for the taxable year in which the costs were incurred; and

(ii) attach a copy of the Department’s certification of the approved credit amount to the amended income tax return.

(d) If the credit allowed for any taxable year under this section exceeds the total tax otherwise due, an individual or corporation may apply the excess as a credit against the State income tax for succeeding taxable years until the full amount of the excess is used.

(e) The Department, in consultation with the Comptroller, shall adopt regulations to carry out the provisions of this section.

(f) On or before December 31 of each year, the Department shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the number of credits certified in the previous calendar year.”.