

Chapter 138

(House Bill 1445)

AN ACT concerning

Calvert County – Property Tax Credit – Commerce Zones

FOR the purpose of authorizing a certain property tax credit for certain business entities that obtain certain new or expanded premises in a certain commerce zone in Calvert County; providing for the amount and duration of the property tax credit; authorizing the governing body of Calvert County to provide, by law, for certain matters relating to the tax credit; defining certain terms; providing for the application of this Act; and generally relating to a property tax credit in Calvert County for real property located in certain commerce zones.

BY adding to

Article – Tax – Property

Section 9–306(h)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

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

Article – Tax – Property

9–306.

(H) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “COMMERCE ZONE” MEANS A PRIORITY FUNDING AREA IN CALVERT COUNTY DESIGNATED BY THE GOVERNING BODY OF CALVERT COUNTY AS A COMMERCE ZONE.

(III) “NEW OR EXPANDED PREMISES” MEANS COMMERCIAL OR INDUSTRIAL REAL PROPERTY, INCLUDING A BUILDING OR PART OF A BUILDING THAT HAS NOT BEEN PREVIOUSLY OCCUPIED, WHERE A BUSINESS ENTITY LOCATES TO CONDUCT BUSINESS.

(2) THE GOVERNING BODY OF CALVERT COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY OWNED BY A BUSINESS ENTITY THAT MEETS THE REQUIREMENTS SPECIFIED UNDER THIS SUBSECTION.

(3) TO QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS SUBSECTION, A BUSINESS ENTITY SHALL OBTAIN NEW OR EXPANDED PREMISES IN A COMMERCE ZONE BY PURCHASING NEWLY CONSTRUCTED PREMISES, CONSTRUCTING NEW PREMISES, OR CAUSING NEW PREMISES TO BE CONSTRUCTED.

(4) IF A BUSINESS ENTITY MEETS THE REQUIREMENTS UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION SHALL EQUAL A PERCENTAGE OF THE AMOUNT OF COUNTY PROPERTY TAX IMPOSED ON THE ASSESSMENT OF THE NEW OR EXPANDED PREMISES, AS FOLLOWS:

- (I) 50% FOR EACH OF THE FIRST 5 TAXABLE YEARS;**
- (II) ~~40%~~ 25% IN TAXABLE YEARS 6 AND 7;**
- (III) ~~30%~~ 15% IN TAXABLE YEARS 8 THROUGH 10; AND**
- (IV) ~~20% IN TAXABLE YEARS 11 AND 12;~~**
- (V) ~~15% IN TAXABLE YEARS 13 AND 14;~~**
- (VI) ~~10% IN TAXABLE YEAR 15; AND~~**
- (VII) ~~0% IN TAXABLE YEAR 16 AND~~ FOR EACH TAXABLE YEAR**

THEREAFTER.

(5) THE GOVERNING BODY OF CALVERT COUNTY MAY PROVIDE, BY LAW, FOR:

- (I) THE SPECIFIC ELIGIBILITY REQUIREMENTS FOR THE TAX CREDIT AUTHORIZED UNDER THIS SUBSECTION;**
- (II) ANY ADDITIONAL LIMITATIONS ON ELIGIBILITY FOR THE CREDIT; AND**
- (III) ANY OTHER PROVISION NECESSARY TO IMPLEMENT THE CREDIT.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016, and shall be applicable to all taxable years beginning after June 30, 2016.

Approved by the Governor, April 12, 2016.