

HOUSE BILL 1763

Q3

8lr3567

By: **Delegate Tarlau**

Introduced and read first time: February 22, 2018

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Biotechnology Investment Tax Credit – Approval of Applications – Competitive**
3 **Award Process**

4 FOR the purpose of requiring that applications for a credit against the State income tax for
5 investments in biotechnology companies be approved on a competitive basis;
6 requiring the Department of Commerce to develop certain criteria for the approval
7 of applications for the tax credit that are based on certain criteria used to award
8 financial assistance under certain programs; providing for the application of this Act;
9 and generally relating to credits against the State income tax for investments in
10 biotechnology companies.

11 BY repealing and reenacting, without amendments,
12 Article – Tax – General
13 Section 10–725(c)(1)
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2017 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Tax – General
18 Section 10–725(c)(3) and (i)
19 Annotated Code of Maryland
20 (2016 Replacement Volume and 2017 Supplement)

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

23 **Article – Tax – General**

24 10–725.

25 (c) (1) At least 30 days prior to making an investment in a qualified Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 biotechnology company for which a qualified investor would be eligible for an initial tax
2 credit certificate under subsection (b) of this section, the qualified investor shall submit an
3 application to the Department.

4 (3) The Department shall:

5 (i) approve all applications that qualify for credits under this section
6 [on a first-come, first-served basis] **ON A COMPETITIVE BASIS**; and

7 (ii) within 30 days of receipt of an application, certify the amount of
8 any approved tax credits to a qualified investor.

9 (i) **(1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
10 Department and the Comptroller jointly shall adopt regulations to carry out the provisions
11 of this section and to specify criteria and procedures for application for, approval of, and
12 monitoring continuing eligibility for the tax credit under this section.

13 **(2) THE DEPARTMENT SHALL DEVELOP CRITERIA FOR THE**
14 **APPROVAL OF TAX CREDIT APPLICATIONS THAT ARE BASED ON THE CRITERIA USED**
15 **TO AWARD FINANCIAL ASSISTANCE UNDER THE FOLLOWING PROGRAMS:**

16 **(I) THE NATIONAL INSTITUTES OF HEALTH SMALL BUSINESS**
17 **INNOVATIVE RESEARCH PROGRAM; AND**

18 **(II) THE LIFE SCIENCE INVESTMENT FUND, THE SEED**
19 **INVESTMENT FUND, THE MARYLAND INNOVATION INITIATIVE, AND THE**
20 **MARYLAND VENTURE FUND ADMINISTERED BY THE MARYLAND TECHNOLOGY**
21 **DEVELOPMENT CORPORATION.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
23 1, 2018, and shall be applicable to all biotechnology investment tax credit certificates issued
24 after June 30, 2018.