

Chapter 85

(House Bill 175)

AN ACT concerning

Maryland Research and Development Tax Credit – Sunset Extension

FOR the purpose of extending the termination date applicable to the Maryland Research and Development Tax Credit; extending the applicability of the credit to certain taxable years; and generally relating to the Maryland Research and Development Tax Credit.

BY repealing and reenacting, with amendments,

Chapter 515 of the Acts of the General Assembly of 2000, as amended by Chapter 98 of the Acts of the General Assembly of 2005 and Chapter 20 of the Acts of the General Assembly of 2010

Section 2 and 4

BY repealing and reenacting, with amendments,

Chapter 516 of the Acts of the General Assembly of 2000, as amended by Chapter 98 of the Acts of the General Assembly of 2005 and Chapter 20 of the Acts of the General Assembly of 2010

Section 2 and 4

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

Chapter 515 of the Acts of 2000, as amended by Chapter 98 of the Acts of 2005 and Chapter 20 of the Acts of 2010

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Except as otherwise provided in this section, this Act shall be applicable to all taxable years beginning after December 31, 1999 but before January 1, [2020] ~~2027~~ 2021.

(b) If a taxpayer's taxable year for income tax purposes is not the calendar year:

(1) for the taxable year that ends in calendar year 2000, the taxpayer may apply for a prorated credit for research and development expenses paid or incurred in the taxable year for that part of the taxable year that falls in calendar year 2000; and

(2) for the taxable year that begins in calendar year [2019] ~~2026~~ 2020, the taxpayer may apply for only a prorated credit for research and development expenses paid or incurred in the taxable year for that part of the taxable year that falls in calendar year [2019] ~~2026~~ 2020.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2000. It shall remain effective for a period of [21] ~~28~~ 22 years and, at the end of June 30, [2021] ~~2028~~ 2022, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Chapter 516 of the Acts of 2000, as amended by Chapter 98 of the Acts of 2005
and Chapter 20 of the Acts of 2010**

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Except as otherwise provided in this section, this Act shall be applicable to all taxable years beginning after December 31, 1999 but before January 1, [2020] ~~2027~~ 2021.

(b) If a taxpayer's taxable year for income tax purposes is not the calendar year:

(1) for the taxable year that ends in calendar year 2000, the taxpayer may apply for a prorated credit for research and development expenses paid or incurred in the taxable year for that part of the taxable year that falls in calendar year 2000; and

(2) for the taxable year that begins in calendar year [2019] ~~2026~~ 2020, the taxpayer may apply for only a prorated credit for research and development expenses paid or incurred in the taxable year for that part of the taxable year that falls in calendar year [2019] ~~2026~~ 2020.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2000. It shall remain effective for a period of [21] ~~28~~ 22 years and, at the end of June 30, [2021] ~~2028~~ 2022, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.

Approved by the Governor, April 18, 2019.