

SB0019/875366/1

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL 19
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after “**Alterations**” insert “**and Study**”; in line 5, strike “definition” and substitute “definitions”; in the same line, after “of” insert ““qualified investor” and”; in line 6, after “program;” insert “prohibiting the Department of Commerce from issuing tax credit certificates to certain investors in certain biotechnology companies on or after a certain date;”; in line 9, after “year;” insert “altering certain reporting requirements; requiring the Department to conduct, in consultation with certain parties, certain studies and to report to the General Assembly on or before a certain date;”; in line 19, strike “10-725(a)(7),” and substitute “10-725(a)(6) and (7).”; in the same line, after “(b),” insert “(c)(3).”; and in the same line, strike “and (j)” and substitute “(h)(1), and (j)”.

AMENDMENT NO. 2

On page 2, after line 5, insert:

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

(ii) “Qualified investor” does not include:

1. a qualified pension plan, individual retirement account, or other qualified retirement plan under the Employee Retirement Income Security Act of 1974, as amended, or fiduciaries or custodians under such plans, or similar tax-favored plans or entities under the laws of other countries; OR

(Over)

2. A FOUNDER OR CURRENT EMPLOYEE OF THE QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY, IF THE COMPANY HAS BEEN IN ACTIVE BUSINESS FOR MORE THAN 5 YEARS.

On page 3, after line 25, insert:

“(c) (3) (I) [The] SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE Department shall:

[(i)] 1. approve all applications that qualify for credits under this section on a first-come, first-served basis; and

[(ii)] 2. within 30 days of receipt of an application, certify the amount of any approved tax credits to a qualified investor.

(II) THE DEPARTMENT MAY NOT ISSUE ANY TAX CREDIT CERTIFICATES UNDER THIS SECTION AFTER JUNE 30, 2028.

On page 4, after line 2, insert:

“(h) (1) In accordance with § 2.5-109 of the Economic Development Article, the Department shall report on:

(I) the initial tax credit certificates awarded under this section for the calendar year, INCLUDING THE NUMBER OF INITIAL TAX CREDIT CERTIFICATES AWARDED TO QUALIFIED INVESTORS FOR INVESTMENTS IN QUALIFIED MARYLAND BIOTECHNOLOGY COMPANIES THAT WERE NOT CERTIFIED BY THE DEPARTMENT IN THE PREVIOUS CALENDAR YEAR; AND

(II) FOR EACH QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY THAT RECEIVES AN INVESTMENT FOR WHICH AN INITIAL TAX CREDIT CERTIFICATE IS AWARDED UNDER THIS SECTION FOR THE CALENDAR YEAR:

1. THE NUMBER OF YEARS THAT THE COMPANY HAS BEEN IN ACTIVE BUSINESS; AND

2. THE NUMBER OF YEARS THAT QUALIFIED INVESTORS IN THE COMPANY HAVE RECEIVED TAX CREDITS UNDER THIS SECTION.”;

after line 7, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1, 2021, the Department of Commerce, in consultation with qualified experts in the biotechnology industry, shall:

(1) (i) study the methods and criteria by which the Department might award tax credits under the Biotechnology Investment Incentive Tax Credit Program on a competitive basis; and

(ii) develop strategies to increase awards of tax credits under the Program to early-stage biotechnology companies; and

(2) report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on its findings and recommendations.”;

and in line 8, strike “2.” and substitute “3.”.