



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 597 Income Tax - Theatrical Production Tax Credit (Guzzone)

STATEMENT OF INFORMATION

DATE: February 23, 2022

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 597 creates a tax credit for theatrical productions and provides that the Secretary of Commerce may issue an aggregate of \$10 million in each fiscal year. If the credits are less than the aggregate amount, the excess amount is carried forward to be issued in a subsequent fiscal year.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$10 million loss in General Fund revenues.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Further, economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability.

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