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**By:** The President (Administration) and Senators Amoss, Hoffman, Boozer, Munson, McFadden, Ruben, Currie, Van Hollen, Hogan, Lawlah, Middleton, and Kasemeyer  
Introduced and read first time: February 2, 1996  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 19, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Jobs Creation Tax Credit Act of 1996**

3 FOR the purpose of allowing a credit against the State income tax, financial institution  
4 franchise tax, public service company franchise tax, and insurance premiums tax for  
5 the establishment or expansion of a major business facility in the State under certain  
6 circumstances; providing for calculation of the credit based on the number of new  
7 jobs created as a result of the establishment or expansion of the major business  
8 facility; limiting the credit allowed in any taxable year to the total tax otherwise  
9 payable for that taxable year; providing for the carry forward of unused credit;  
10 providing for recapture of the credit under certain circumstances; requiring the  
11 Comptroller to adopt certain regulations; requiring the Department of Business and  
12 Economic Development to adopt certain regulations; requiring certain reports;  
13 disallowing certain positions that are filled by individuals qualifying for a certain  
14 other tax credit from qualifying for the credit; providing for the termination of the  
15 credit of a certain date; providing for the future codification of part of this Act;  
16 providing that the provisions of this Act are not severable; defining certain terms;  
17 and generally relating to a credit against the State income tax, financial institution  
18 franchise tax, public service company franchise tax, and insurance premiums tax for  
19 the establishment or expansion of a major business facility in the State.

20 BY adding to

21 Article 83A - Department of Business and Economic Development  
22 Section 5-1101 through ~~5-1106~~ 5-1107 to be under the new subtitle "Subtitle 11.  
23 Jobs Creation Tax Credit"  
24 Annotated Code of Maryland  
25 (1995 Replacement Volume)

2

1 BY adding to

2 Article - Tax - General  
3 Section 8-214, 8-411, and 10-704.4  
4 Annotated Code of Maryland  
5 (1988 Volume and 1995 Supplement)

6 BY adding to

7 Article 48A - Insurance Code  
8 Section 632(e)  
9 Annotated Code of Maryland  
10 (1994 Replacement Volume and 1995 Supplement)

11 BY repealing and reenacting, with amendments,

12 Article 83A - Department of Business and Economic Development  
13 Section 5-1104(d)  
14 Annotated Code of Maryland  
15 (1995 Replacement Volume)  
16 (As enacted by Section 1 of this Act)

17 BY adding to

18 Article - Insurance  
19 Section 6-114  
20 Annotated Code of Maryland  
21 (1995 Volume)  
22 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

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

25 **Article 83A - Department of Business and Economic Development**

26 SUBTITLE 11. JOBS CREATION TAX CREDIT.

27 5-1101.

28 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
29 INDICATED.

30 (B) "BUSINESS ENTITY" MEANS A PERSON CONDUCTING A TRADE OR  
31 BUSINESS IN THE STATE.

32 (C) "CREDIT YEAR" MEANS THE FIRST TAXABLE YEAR FOLLOWING THE  
33 TAXABLE YEAR IN WHICH A MAJOR BUSINESS FACILITY COMMENCED OR  
34 EXPANDED OPERATIONS.

35 (D) (1) "COMPANY HEADQUARTERS" MEANS A FACILITY WHERE THE  
36 MAJORITY OF THE BUSINESS ENTITY'S FINANCIAL, PERSONNEL, LEGAL, AND  
37 PLANNING FUNCTION ARE OPERATED ON A REGIONAL OR NATIONAL BASIS.

1 (2) "COMPANY HEADQUARTERS" DOES NOT INCLUDE THE  
2 HEADQUARTERS OF A PROFESSIONAL SPORTS ORGANIZATION.

3 ~~(D)~~ (E) "MAJOR BUSINESS FACILITY" INCLUDES ANY FACILITY OF AN  
4 ENTERPRISE AT WHICH THE ENTERPRISE ENGAGES IN ANY OF THE FOLLOWING  
5 BUSINESSES OR OPERATIONS:

6 (1) MANUFACTURING OR MINING;

7 (2) TRANSPORTATION;

8 (3) COMMUNICATIONS;

9 (4) BIOTECHNOLOGY;

10 (5) RESEARCH, DEVELOPMENT, AND TESTING;

11 (6) COMPUTER PROGRAMMING, DATA PROCESSING, AND OTHER  
12 COMPUTER RELATED SERVICES;

13 (7) FINANCIAL, INSURANCE, OR REAL ESTATE SERVICES;

14 (8) WAREHOUSING;

15 (9) CENTRAL ADMINISTRATIVE OFFICES OR COMPANY  
16 HEADQUARTERS; ~~OR~~

17 (10) AGRICULTURE, FORESTRY, AND FISHING; OR

18 ~~(10)~~ (11) PUBLIC UTILITIES.

19 ~~(E)~~ (F) (1) "NEW PERMANENT FULL-TIME POSITION" MEANS:

20 (I) A JOB OF AN INDEFINITE DURATION THAT:

21 1. IS CREATED BY THE COMPANY AS A RESULT OF THE  
22 ESTABLISHMENT OR EXPANSION OF A MAJOR BUSINESS FACILITY IN THE STATE;  
23 AND

24 2. REQUIRES A MINIMUM OF 35 HOURS OF AN EMPLOYEE'S  
25 TIME PER WEEK FOR THE ENTIRE NORMAL YEAR OF THE COMPANY'S OPERATIONS,  
26 WHICH "NORMAL YEAR" CONSISTS OF AT LEAST 48 WEEKS; OR

27 (II) A POSITION OF INDEFINITE DURATION THAT REQUIRES A  
28 MINIMUM OF 35 HOURS OF AN EMPLOYEE'S TIME PER WEEK FOR THE PORTION OF  
29 THE TAXABLE YEAR IN WHICH THE EMPLOYEE WAS INITIALLY HIRED FOR, OR  
30 TRANSFERRED TO, THE MAJOR BUSINESS FACILITY IN THE STATE.

31 (2) "NEW PERMANENT FULL-TIME POSITION" DOES NOT INCLUDE A  
32 POSITION THAT IS:

33 (I) A SEASONAL OR TEMPORARY POSITION; ~~OR~~

34 ~~(II) A JOB CREATED WHEN A JOB FUNCTION IS SHIFTED FROM AN~~  
35 ~~EXISTING LOCATION IN THIS STATE TO THE NEW OR EXPANDED MAJOR BUSINESS~~  
36 ~~FACILITY.~~

4

1 (II) CREATED WHEN AN EMPLOYMENT FUNCTION IS SHIFTED  
 2 FROM AN EXISTING BUSINESS FACILITY OF THE BUSINESS ENTITY LOCATED IN  
 3 MARYLAND TO ANOTHER BUSINESS FACILITY OF THE SAME BUSINESS ENTITY WITH  
 4 SUBSTANTIALLY THE SAME OWNERSHIP;

5 (III) CREATED THROUGH A CONSOLIDATION, MERGER, OR  
 6 RESTRUCTURING OF A BUSINESS ENTITY AND THE POSITION DOES NOT REPRESENT  
 7 A NET NEW JOB IN THE STATE; OR

8 (IV) CREATED WHEN AN EMPLOYMENT FUNCTION IS  
 9 CONTRACTUALLY SHIFTED FROM AN EXISTING BUSINESS ENTITY LOCATED IN THE  
 10 STATE TO ANOTHER BUSINESS ENTITY, AND THE POSITION DOES NOT REPRESENT A  
 11 NET NEW JOB IN THE STATE.

12 ~~(F)~~ (G) "QUALIFIED BUSINESS ENTITY" MEANS A BUSINESS ENTITY THAT  
 13 THE DEPARTMENT HAS CERTIFIED AS HAVING ESTABLISHED OR EXPANDED A  
 14 MAJOR BUSINESS FACILITY IN THE STATE RESULTING IN:

15 (1) THE CREATION OF AT LEAST THE THRESHOLD NUMBER OF JOBS  
 16 FOR QUALIFIED FULL-TIME EMPLOYEES IN ACCORDANCE WITH § 5-1102 OF THIS  
 17 SUBTITLE; OR

18 (2) THE CREATION OF NEW JOBS FOR QUALIFIED FULL-TIME  
 19 EMPLOYEES WITH AN AGGREGATE PAYROLL GREATER THAN A THRESHOLD  
 20 AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE THRESHOLD NUMBER OF  
 21 JOBS UNDER § 5-1102 OF THIS SUBTITLE TIMES THE STATE'S AVERAGE ANNUAL  
 22 SALARY, AS DETERMINED BY THE DEPARTMENT.

23 ~~(G)~~ (H) "QUALIFIED FULL-TIME EMPLOYEE" MEANS AN EMPLOYEE WHO IS  
 24 A MARYLAND RESIDENT ON THE LAST DAY OF THE CALENDAR YEAR FILLING A  
 25 NEW PERMANENT FULL-TIME POSITION IN A MAJOR BUSINESS FACILITY IN THE  
 26 STATE.

27 5-1102.

28 (A) (1) THE DEPARTMENT SHALL CERTIFY A BUSINESS ENTITY AS  
 29 QUALIFYING FOR THE TAX CREDIT PROVIDED UNDER THIS SUBTITLE IF THE  
 30 BUSINESS ENTITY SATISFIES THE CRITERIA SET FORTH IN THIS SECTION.

31 (2) IF THE DEPARTMENT CERTIFIES A BUSINESS ENTITY AS A  
 32 QUALIFYING BUSINESS ENTITY, THE DEPARTMENT SHALL CERTIFY THE DATE ON  
 33 WHICH THE NEWLY ESTABLISHED OR EXPANDED FACILITY OF THE BUSINESS  
 34 ENTITY COMMENCED OR EXPANDED OPERATIONS.

35 (B) TO QUALIFY FOR THE TAX CREDIT PROVIDED UNDER THIS SUBTITLE, A  
 36 BUSINESS ENTITY SHALL ESTABLISH OR EXPAND A MAJOR BUSINESS FACILITY IN  
 37 THE STATE THAT RESULTS IN:

38 (1) THE CREATION OF AT LEAST ~~400~~ 60 JOBS FOR QUALIFIED FULL-TIME  
 39 EMPLOYEES DURING ANY 24-MONTH PERIOD; OR

40 (2) THE CREATION OF AT LEAST 30 NEW JOBS FOR QUALIFIED  
 41 FULL-TIME EMPLOYEES ~~WITH AN~~ IF THE AGGREGATE PAYROLL FOR THE NEW JOBS

5

1 IS GREATER THAN A THRESHOLD AMOUNT EQUAL TO THE PRODUCT OF  
 2 MULTIPLYING ~~400~~ 60 TIMES THE STATE'S AVERAGE ANNUAL SALARY, AS  
 3 DETERMINED BY THE DEPARTMENT.

4 (C) (1) A BUSINESS ENTITY IS NOT ELIGIBLE FOR THE TAX CREDIT UNDER  
 5 THIS SUBTITLE UNLESS THE BUSINESS ENTITY IS ENGAGED IN ONE OR MORE OF THE  
 6 FOLLOWING BUSINESSES OR OPERATIONS AT THE NEWLY ESTABLISHED OR  
 7 EXPANDED FACILITY:

8 (I) MANUFACTURING OR MINING;

9 (II) TRANSPORTATION;

10 (III) COMMUNICATIONS;

11 (IV) BIOTECHNOLOGY;

12 (V) RESEARCH, DEVELOPMENT, AND TESTING;

13 (VI) COMPUTER PROGRAMMING, DATA PROCESSING, AND OTHER  
 14 COMPUTER RELATED SERVICES;

15 (VII) FINANCIAL, INSURANCE, OR REAL ESTATE SERVICES;

16 (VIII) WAREHOUSING;

17 (IX) CENTRAL ADMINISTRATIVE OFFICES OR COMPANY  
 18 HEADQUARTERS; ~~OR~~

19 (X) AGRICULTURE, FORESTRY, OR FISHING; OR

20 ~~(X)~~ (XI) PUBLIC UTILITIES.

21 (2) THE TERMS USED IN THIS SUBSECTION TO REFER TO VARIOUS  
 22 TYPES OF BUSINESSES HAVE THE SAME MEANINGS AS THOSE TERMS ARE  
 23 COMMONLY DEFINED IN THE STANDARD INDUSTRIAL CLASSIFICATION MANUAL.

24 5-1103.

25 (A) (1) A QUALIFIED BUSINESS ENTITY MAY CLAIM A TAX CREDIT IN THE  
 26 AMOUNT DETERMINED UNDER THIS SECTION FOR THE ESTABLISHMENT OR  
 27 EXPANSION OF A MAJOR BUSINESS FACILITY IN THE STATE.

28 (2) THE SAME TAX CREDIT MAY NOT BE APPLIED MORE THAN ONCE  
 29 AGAINST DIFFERENT TAXES BY THE SAME TAXPAYER.

30 (B) (1) (I) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FOR ANY  
 31 QUALIFIED BUSINESS ENTITY, THE CREDIT EARNED UNDER THIS SECTION EQUALS  
 32 \$1,000 ~~MULTIPLIED TIMES THE NUMBER OF~~ FOR EACH QUALIFIED FULL-TIME  
 33 ~~EMPLOYEES~~ EMPLOYEE EMPLOYED DURING THE CREDIT YEAR.

34 (II) THE CREDIT EARNED UNDER THIS SECTION EQUALS \$1,500  
 35 ~~MULTIPLIED TIMES THE NUMBER OF~~ FOR EACH QUALIFIED FULL-TIME ~~EMPLOYEES~~  
 36 EMPLOYEE EMPLOYED DURING THE CREDIT YEAR IF THE MAJOR BUSINESS  
 37 FACILITY IS LOCATED IN:

6

1 1. AN AREA DESIGNATED AS AN ENTERPRISE ZONE BY THE  
2 SECRETARY UNDER § 5-402 OF THIS TITLE OR BY THE UNITED STATES  
3 GOVERNMENT;

4 2. AN AREA DESIGNATED AS AN EMPOWERMENT ZONE BY  
5 THE UNITED STATES GOVERNMENT PURSUANT TO 26 U.S.C. § 1391 ET SEQ.; OR

6 3. AN AREA DESIGNATED AS AN ELIGIBLE NEIGHBORHOOD  
7 FOR ECONOMIC REVITALIZATION ASSISTANCE UNDER ARTICLE 83B, § 2-1303 OF THE  
8 CODE.

9 (III) FOR EACH QUALIFIED FULL-TIME EMPLOYEE EMPLOYED  
10 DURING THE CREDIT YEAR WHO MEETS THE DEFINITION OF A DISABLED  
11 INDIVIDUAL UNDER § 21-401 OF THE EDUCATION ARTICLE, THE CREDIT EARNED  
12 UNDER THIS SECTION IS \$1,500 INSTEAD OF \$1,000.

13 (2) THE CREDIT EARNED UNDER PARAGRAPH (1) OF THIS SUBSECTION  
14 SHALL BE ALLOWED RATABLY, WITH ONE-THIRD OF THE CREDIT AMOUNT  
15 ALLOWED ANNUALLY FOR 3 YEARS BEGINNING WITH THE CREDIT YEAR.

16 (3) THE PORTION OF THE CREDIT EARNED WITH RESPECT TO ANY  
17 QUALIFIED FULL-TIME EMPLOYEE WHO IS EMPLOYED IN THE STATE FOR LESS  
18 THAN 12 FULL MONTHS DURING THE CREDIT YEAR SHALL BE DETERMINED BY  
19 MULTIPLYING THE CREDIT AMOUNT BY A FRACTION:

20 (I) THE NUMERATOR OF WHICH IS THE NUMBER OF FULL MONTHS  
21 THAT THE QUALIFIED FULL-TIME EMPLOYEE WORKED FOR THE QUALIFIED  
22 COMPANY IN THE STATE DURING THE CREDIT YEAR; AND

23 (II) THE DENOMINATOR OF WHICH IS 12.

24 (4) EACH DISTINCT MAJOR BUSINESS FACILITY OF A SINGLE TAXPAYER  
25 SHALL HAVE A SEPARATE CREDIT YEAR AND 3-YEAR ALLOWANCE PERIOD.

26 (5) A BUSINESS ENTITY MAY NOT EARN MORE THAN \$1,000,000 IN  
27 CREDITS UNDER THIS SECTION FOR ANY CREDIT YEAR.

28 (C) (1) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE  
29 YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE BUSINESS ENTITY  
30 FOR THAT TAXABLE YEAR, A BUSINESS ENTITY MAY APPLY THE EXCESS AS A  
31 CREDIT FOR SUCCEEDING YEARS UNTIL THE EARLIER OF:

32 (I) THE FULL AMOUNT OF THE EXCESS IS USED; OR

33 (II) THE EXPIRATION OF THE TENTH TAXABLE YEAR AFTER THE  
34 CREDIT YEAR.

35 (2) IF A TAXPAYER IS ALLOWED ANOTHER CREDIT AGAINST A TAX  
36 AGAINST WHICH THE CREDIT UNDER THIS SECTION IS ALLOWED OR HAS A CREDIT  
37 CARRYOVER FROM A PRECEDING TAXABLE YEAR, THE TAXPAYER SHALL USE ANY  
38 CREDIT THAT DOES NOT HAVE A CARRYOVER PROVISION, AND THEN ANY CREDIT  
39 THAT IS CARRIED FORWARD FROM A PRECEDING TAXABLE YEAR, BEFORE USING  
40 ANY CREDIT ALLOWED UNDER THIS SECTION.

7

1 (D) (1) IN THIS SUBSECTION, "RELATED PARTY" MEANS:

2 (I) A RELATED PERSON WITHIN THE MEANING OF § 267(B) OF THE  
3 INTERNAL REVENUE CODE; OR

4 (II) A TRADE OR BUSINESS UNDER COMMON CONTROL WITHIN  
5 THE MEANING OF § 52(B) OF THE INTERNAL REVENUE CODE.

6 (2) A BUSINESS ENTITY MAY NOT CLAIM THE CREDIT UNDER THIS  
7 SECTION FOR ANY EMPLOYEE:

8 (I) FOR WHICH A CREDIT UNDER THIS SECTION WAS PREVIOUSLY  
9 EARNED BY A RELATED PARTY;

10 (II) WHO WAS PREVIOUSLY EMPLOYED IN THE SAME JOB  
11 FUNCTION IN MARYLAND BY A RELATED PARTY;

12 (III) WHOSE JOB FUNCTION WAS PREVIOUSLY PERFORMED AT A  
13 DIFFERENT LOCATION IN MARYLAND BY AN EMPLOYEE OF THE BUSINESS ENTITY  
14 OR A RELATED PARTY; OR

15 (IV) WHOSE JOB FUNCTION PREVIOUSLY QUALIFIED FOR A CREDIT  
16 UNDER THIS SECTION AT A DIFFERENT MAJOR BUSINESS FACILITY OF THE BUSINESS  
17 ENTITY OR A RELATED PARTY.

18 (E) (1) FOR ANY OF THE ~~5~~ 3 TAXABLE YEARS SUCCEEDING THE TAXABLE  
19 YEAR IN WHICH THE MAJOR BUSINESS FACILITY COMMENCED OR EXPANDED  
20 OPERATIONS, SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF THE AVERAGE  
21 NUMBER OF QUALIFIED FULL-TIME EMPLOYEES AT A MAJOR BUSINESS FACILITY  
22 FOR WHICH THE CREDIT UNDER THIS SECTION HAS BEEN EARNED FALLS MORE  
23 THAN 5% BELOW THE AVERAGE NUMBER OF QUALIFIED POSITIONS CREATED  
24 DURING THE CREDIT YEAR ON WHICH THE CREDIT WAS COMPUTED, ALL CREDITS  
25 EARNED WITH RESPECT TO THE MAJOR BUSINESS FACILITY SHALL BE  
26 RECAPTURED.

27 (2) FOR A BUSINESS ENTITY THAT QUALIFIED FOR THE CREDIT BASED  
28 ON THE CREATION OF NEW JOBS WITH AN AGGREGATE PAYROLL GREATER THAN  
29 THE THRESHOLD PAYROLL AS DETERMINED BY THE DEPARTMENT, FOR ANY OF  
30 THE ~~5~~ 3 TAXABLE YEARS SUCCEEDING THE TAXABLE YEAR IN WHICH THE MAJOR  
31 BUSINESS FACILITY COMMENCED OR EXPANDED OPERATIONS, IF THE AVERAGE  
32 PAYROLL FOR QUALIFIED FULL-TIME EMPLOYEES AT THE MAJOR BUSINESS  
33 FACILITY FOR WHICH THE CREDIT WAS EARNED FALLS MORE THAN 5% BELOW THE  
34 THRESHOLD PAYROLL ON WHICH THE CREDIT WAS BASED, ALL CREDITS EARNED  
35 WITH RESPECT TO THE MAJOR BUSINESS FACILITY SHALL BE RECAPTURED.

36 (F) (1) IN ORDER TO RECEIVE CERTIFICATION THAT A BUSINESS ENTITY IS  
37 ELIGIBLE TO RECEIVE THE TAX CREDIT PROVIDED UNDER THIS SUBTITLE, A  
38 BUSINESS ENTITY SHALL SUBMIT THE FOLLOWING TO THE DEPARTMENT OF  
39 BUSINESS AND ECONOMIC DEVELOPMENT IN ACCORDANCE WITH REGULATIONS  
40 ADOPTED BY THE DEPARTMENT:

41 (I) THE EFFECTIVE DATE OF THE START-UP OR EXPANSION;

1 (II) THE NUMBER OF FULL-TIME EMPLOYEES PRIOR TO THE  
2 START-UP OR EXPANSION AND THE PAYROLL OF THE EXISTING EMPLOYEES;

3 (III) THE NUMBER OF QUALIFIED POSITIONS CREATED, QUALIFIED  
4 FULL-TIME EMPLOYEES HIRED, AND THE PAYROLL OF THOSE EMPLOYEES; AND

5 (IV) ANY OTHER INFORMATION THAT THE DEPARTMENT  
6 REQUIRES BY REGULATION.

7 (2) THE DEPARTMENT MAY REQUIRE ANY INFORMATION REQUIRED  
8 UNDER THIS SUBSECTION TO BE VERIFIED BY AN INDEPENDENT AUDITOR  
9 SELECTED BY THE BUSINESS ENTITY.

10 5-1104.

11 (A) THE COMPTROLLER SHALL ADOPT REGULATIONS TO:

12 ~~(1)~~ PROVIDE FOR THE COMPUTATION, CARRYOVER, AND RECAPTURE  
13 OF THE CREDIT UNDER THIS SUBTITLE; AND § 10-704.4 OF THE TAX - GENERAL  
14 ARTICLE.

15 (B) THE SECRETARY OF THE DEPARTMENT OF BUSINESS AND ECONOMIC  
16 DEVELOPMENT SHALL ADOPT REGULATIONS TO

17 ~~(2)~~ DEFINE CRITERIA FOR:

18 ~~(1)~~ (1) A MAJOR BUSINESS FACILITY;

19 ~~(2)~~ (2) QUALIFYING JOBS FOR A MAJOR BUSINESS FACILITY;  
20 AND

21 ~~(3)~~ (3) ECONOMICALLY DISTRESSED AREAS.

22 (C) THE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL ADOPT  
23 REGULATIONS TO PROVIDE FOR THE COMPUTATION, CARRYOVER, AND  
24 RECAPTURE OF THE CREDIT UNDER §§ 8-214 AND 8-411 OF THE TAX - GENERAL  
25 ARTICLE.

26 (D) THE MARYLAND INSURANCE COMMISSIONER SHALL ADOPT  
27 REGULATIONS TO PROVIDE FOR THE COMPUTATION, CARRYOVER, AND  
28 RECAPTURE OF THE CREDIT UNDER ARTICLE 48A, § 632 OF THE CODE.

29 5-1105.

30 ~~(A)~~ THE PROVISIONS OF THIS SUBTITLE SHALL APPLY ONLY IN INSTANCES  
31 WHERE AN ANNOUNCEMENT OF INTENT TO ESTABLISH OR EXPAND A MAJOR  
32 BUSINESS FACILITY IS MADE ON OR AFTER JANUARY 1, 1996.

33 ~~(B) AN ANNOUNCEMENT OF INTENT TO ESTABLISH OR EXPAND A MAJOR~~  
34 ~~BUSINESS FACILITY INCLUDES A PRESS CONFERENCE OR EXTENSIVE PRESS~~  
35 ~~COVERAGE, PROVIDING INFORMATION WITH RESPECT TO THE IMPACT OF THE~~  
36 ~~PROJECT ON THE ECONOMY OF THE AREA WHERE THE MAJOR BUSINESS FACILITY~~  
37 ~~IS TO BE ESTABLISHED OR EXPANDED AND THE STATE AS A WHOLE.~~



9

1 5-1106.

2 (A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE PROVISIONS OF THIS  
3 SUBTITLE AND THE TAX CREDIT AUTHORIZED UNDER THIS SUBTITLE SHALL  
4 TERMINATE AS OF JANUARY 1, ~~2001~~ 2002.

5 (B) (1) THE TAX CREDITS AUTHORIZED UNDER THIS SUBTITLE:

6 (I) MAY BE CLAIMED ONLY FOR A NEWLY ESTABLISHED OR  
7 EXPANDED FACILITY THAT COMMENCES OPERATIONS BEFORE JANUARY 1, ~~2000~~ 2001;  
8 AND

9 (II) MAY NOT BE EARNED FOR ANY CREDIT YEAR BEGINNING ON  
10 OR AFTER JANUARY 1, ~~2001~~ 2002.

11 (2) SUBJECT TO THE LIMITATIONS UNDER THIS SUBTITLE, FOR  
12 TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, ~~2001~~ 2002, TAX CREDITS  
13 EARNED IN CREDIT YEARS BEGINNING BEFORE JANUARY 1, ~~2001~~ 2002:

14 (I) MAY BE ALLOWED RATABLY OVER A 3-YEAR PERIOD AS  
15 PROVIDED IN § 5-1103 OF THIS SUBTITLE;

16 (II) MAY BE CARRIED FORWARD AS PROVIDED IN § 5-1103 OF THIS  
17 SUBTITLE; AND

18 (III) ARE SUBJECT TO RECAPTURE AS PROVIDED IN § 5-1103 OF THIS  
19 SUBTITLE.

20 5-1107.

21 THE DEPARTMENT SHALL REPORT TO THE GOVERNOR, THE SENATE BUDGET  
22 AND TAXATION COMMITTEE, AND THE HOUSE COMMITTEE ON WAYS AND MEANS  
23 BY DECEMBER 1 EACH YEAR THE BUSINESS ENTITIES CERTIFIED AS ELIGIBLE FOR  
24 TAX CREDITS UNDER THIS SUBTITLE IN THE PRECEDING FISCAL YEAR.

25 **Article - Tax - General**

26 8-214.

27 A FINANCIAL INSTITUTION MAY CLAIM A CREDIT AGAINST THE FINANCIAL  
28 INSTITUTION FRANCHISE TAX FOR THE ESTABLISHMENT OR EXPANSION OF A  
29 MAJOR BUSINESS FACILITY IN THE STATE AS PROVIDED UNDER ARTICLE 83A, §  
30 5-1103 OF THE CODE.

31 8-411.

32 A PUBLIC SERVICE COMPANY MAY CLAIM A CREDIT AGAINST THE PUBLIC  
33 SERVICE COMPANY FRANCHISE TAX FOR THE ESTABLISHMENT OR EXPANSION OF A  
34 MAJOR BUSINESS FACILITY IN THE STATE AS PROVIDED UNDER ARTICLE 83A, §  
35 5-1103 OF THE CODE.

10

1 10-704.4.

2 AN INDIVIDUAL OR CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE  
3 INCOME TAX FOR THE ESTABLISHMENT OR EXPANSION OF A MAJOR BUSINESS  
4 FACILITY IN THE STATE AS PROVIDED UNDER ARTICLE 83A, § 5-1103 OF THE CODE.

5 **Article 48A - Insurance Code**

6 632.

7 (E) AN INSURANCE COMPANY MAY CLAIM A CREDIT AGAINST THE PREMIUM  
8 TAX FOR THE ESTABLISHMENT OR EXPANSION OF A MAJOR BUSINESS FACILITY IN  
9 THE STATE AS PROVIDED UNDER ARTICLE 83A, § 5-1103 OF THE CODE.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
11 read as follows:

12 **Article 83A - Department of Business and Economic Development**

13 5-1104.

14 (d) The Maryland Insurance Commissioner shall adopt regulations to provide for  
15 the computation, carryover, and recapture of the credit under [Article 48A, § 632 of the  
16 Code] § 6-114 OF THE INSURANCE ARTICLE.

17 **Article - Insurance**

18 6-114.

19 AN INSURANCE COMPANY MAY CLAIM A CREDIT AGAINST THE PREMIUM TAX  
20 FOR THE ESTABLISHMENT OR EXPANSION OF A MAJOR BUSINESS FACILITY IN THE  
21 STATE AS PROVIDED UNDER ARTICLE 83A, § 5-1103 OF THE CODE.

22 SECTION 3. AND BE IT FURTHER ENACTED, That, the Department of  
23 Business and Economic Development shall conduct a study to evaluate the impact of the  
24 availability of the tax credit authorized by this Act has had on the State's ability to attract  
25 new business facilities to the State, and to encourage expansion of existing business  
26 facilities to the State. The Department shall include in its study an estimate of the impact  
27 that the tax credit has had on employment levels in the State, an estimate of the amount  
28 of reduced tax revenues resulting from the tax credits granted, and an analysis of the  
29 types of employers qualifying for the credit. The Department shall report its findings to  
30 the Senate Budget and Taxation Committee and the House Committee on Ways and  
31 Means by January 1, 2000.

32 SECTION 3- 4. AND BE IT FURTHER ENACTED, That, notwithstanding the  
33 provisions of Article 1, § 23 of the Annotated Code of Maryland, the provisions of this  
34 Act are not severable, and if any provision of this Act or the application thereof to any  
35 person or circumstance is held invalid for any reason in a court of competent jurisdiction,  
36 no other provision or application of this Act may be given effect.

37 SECTION 4- 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act  
38 shall take effect October 1, 1997.

1           SECTION ~~5~~. 6. AND BE IT FURTHER ENACTED, That, except as provided in  
2 Section 4 of this Act, this Act shall take effect July 1, 1996.