

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL NO. 330

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike "Property"; in the same line, strike "Exemption" and substitute "Credits"; in the same line, after "Aged" insert "and Tax Exempt Organizations"; in line 9, after "Act;" insert "altering a definition under the Job Creation Tax Credit to make certain tax exempt organizations eligible for the credit; altering certain criteria for establishment or expansion of a business facility in the State to qualify for the Job Creation Tax Credit; allowing certain tax exempt organizations to transfer certain tax credits to certain entities in exchange for a certain cash payment; providing for the termination of certain provisions of this Act;"; and strike beginning with "a" in line 9 down through "aged" in line 10 and substitute "certain tax credits".

AMENDMENT NO. 2

On page 1, after line 15, insert:

"BY adding to

Article 83A - Department of Business and Economic Development
Section 5-1101(f)(3)
Annotated Code of Maryland
(1995 Replacement Volume and 1996 Supplement)

BY repealing and reenacting, with amendments,

Article 83A - Department of Business and Economic Development
Section 5-1102(b)(2)(ii)
Annotated Code of Maryland
(1995 Replacement Volume and 1996 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - General

(Over)

Section 10-702(b)(2), 10-704.3(b), and 10-704.4
Annotated Code of Maryland
(1988 Volume and 1996 Supplement)”;

in line 11, strike “repealing and reenacting, with amendments,” and substitute “adding to”; and in line 13, strike “7-206” and substitute “9-229”.

AMENDMENT NO. 3

On pages 1 and 2, strike in their entirety the lines beginning with line 19 on page 1 through line 21 on page 2, inclusive, and substitute:

“9-229.”

On page 2, in lines 22, 24, 26, 28, 30, 33, 34, and 35, strike “(B)(1)”, “(I)”, “(II)”, “(III)”, “(2)”, “(1)”, “(II)”, and “1.”, respectively, and substitute “(A)”, “(1)”, “(2)”, “(3)”, “(B)”, “(1)”, “(2)”, and “(I)”, respectively; strike beginning with “PROPERTY” in line 30 down through “TAX” in line 32 and substitute “THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPALITY MAY GRANT, BY LAW, A TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL PROPERTY TAX IMPOSED ON PROPERTY THAT IS NOT EXEMPT FROM TAXATION UNDER § 7-202 OR § 7-206 OF THIS ARTICLE”.

On page 3, in lines 1, 5, 8, 11, 13, and 16, strike “2.”, “A.”, “B.”, “3.”, “A.”, and “B.”, respectively, and substitute “(II)”, “1.”, “2.”, “(III)”, “1.”, and “2.”, respectively; in line 6, strike “SUBPARAGRAPH” and substitute “SUBSECTION”; and in line 7, strike “SUBTITLE” and substitute “ARTICLE”.

AMENDMENT NO. 4

On page 3, after line 17, insert:

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

Article 83A - Department of Business and Economic Development

5-1101.

(f) (3) FOR A PERSON ENGAGED IN AN ACTIVITY DESCRIBED IN

§ 5-1102(B)(2)(II)12 OF THIS SUBTITLE, “QUALIFIED BUSINESS ENTITY” INCLUDES AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE.

5-1102.

(b) (2) To qualify for the tax credit provided under this subtitle, a business entity must establish or expand a business facility in the State that:

(ii) Is engaged in:

1. Manufacturing or mining;
2. Transportation or communications;
3. Agriculture, forestry, or fishing;
4. Research, development, or testing;
5. Biotechnology;
6. Computer programming, data processing, or other computer related services;
7. Central financial, real estate, or insurance services;
8. The operation of central administrative offices or a company headquarters;
9. A public utility;
10. Warehousing; [or]

(Over)

11. Operation of entertainment, recreation, cultural, or tourism-related activities in a multiuse facility located within a revitalization area if the facility generates a minimum of 1,000 new full-time equivalent filled positions in a 24-month period and is not primarily used by a professional sports franchise or for gaming; OR

12. THE CONDUCT OF EXEMPT PURPOSES ACTIVITIES WITHIN THE MEANING OF § 501(C)(3), (4), OR (6) OF THE INTERNAL REVENUE CODE.

Article - Tax - General

10-702.

(b) (2) An organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code may:

(I) apply the credit under this section as a credit against income tax due on unrelated business taxable income as provided under §§ 10-304 and 10-812 of this title; OR

(II) TRANSFER THE CREDIT UNDER THIS SECTION TO A FOR-PROFIT ENTITY THAT IS ABLE TO USE THE CREDIT IN EXCHANGE FOR A CASH PAYMENT EQUAL TO THE AMOUNT OF THE TAX CREDIT.

10-704.3.

(b) An organization that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code may:

(1) apply the credit under this section as a credit against income tax due on unrelated business taxable income as provided under §§ 10-304 and 10-812 of this title; OR

(2) TRANSFER THE CREDIT UNDER THIS SECTION TO A FOR-PROFIT ENTITY THAT IS ABLE TO USE THE CREDIT IN EXCHANGE FOR A CASH PAYMENT EQUAL TO THE AMOUNT OF THE TAX CREDIT.

10-704.4.

(A) An individual or a corporation may claim a credit against the income tax for wages paid to qualified employees as provided under Article 83A, § 5-1102 of the Code.

(B) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY:

(1) APPLY THE CREDIT UNDER THIS SECTION AS A CREDIT AGAINST INCOME TAX DUE ON UNRELATED BUSINESS TAXABLE INCOME AS PROVIDED UNDER §§ 10-304 AND 10-812 OF THIS TITLE; OR

(2) TRANSFER THE CREDIT UNDER THIS SECTION TO A FOR-PROFIT ENTITY THAT IS ABLE TO USE THE CREDIT IN EXCHANGE FOR A CASH PAYMENT EQUAL TO THE AMOUNT OF THE TAX CREDIT.”.

AMENDMENT NO. 5

On page 3, in line 18, strike “2.” and substitute “3.”; in the same line, after “That” insert “Section 1 of”; and after line 19, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 1997 and shall be applicable to the 3 taxable years beginning after December 31, 1996 but before January 1, 2000. It shall remain effective for a period of 2 1/2 years and, at the end of December 31, 1999, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.