

SENATE BILL 619

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1998 Regular Session
8lr2226

By: **Senators Van Hollen, Hogan, and Middleton**
Introduced and read first time: February 6, 1998
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credits - Businesses that Create New Jobs**

3 FOR the purpose of requiring that certain business entities locate new or expanded
4 premises in designated priority funding areas in order to qualify for certain tax
5 credits for businesses that create new jobs; making technical and stylistic
6 changes; extending the application of certain tax credits and a certain
7 termination provision; providing for the application of this Act; and generally
8 relating to tax credits for businesses that create new jobs.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - Property
11 Section 9-230(b) and (c)
12 Annotated Code of Maryland
13 (1994 Replacement Volume and 1997 Supplement)

14 BY repealing and reenacting, with amendments,
15 Chapter 623 of the Acts of the General Assembly of 1997
16 Section 2 and 3

17 BY repealing and reenacting, with amendments,
18 Chapter 624 of the Acts of the General Assembly of 1997
19 Section 2 and 3

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

22 **Article - Tax - Property**

23 9-230.

24 (b) (1) The Mayor and City Council of Baltimore City or the governing body
25 of a county or of a municipal corporation may grant, by law, a property tax credit
26 against the county or municipal corporation property tax imposed on real property
27 owned or leased by a business entity that meets the requirements specified under
28 subsection [(c)] (C)(1) AND (2) of this section and on personal property owned by that

1 business entity that meets the requirements specified under subsection (d) of this
2 section.

3 (2) If a property tax credit is granted under paragraph (1) of this
4 subsection, a business entity THAT MEETS THE REQUIREMENTS SPECIFIED UNDER
5 SUBSECTION (C)(3) OF THIS SECTION may claim a State tax credit against the
6 individual or corporate income tax, insurance premiums tax, financial institution
7 franchise tax, or public service company franchise tax as provided under subsection
8 (f) of this section.

9 (c) (1) To qualify for a tax credit under this section, a business entity shall:

10 (i) construct or expand by at least 5,000 square feet the premises
11 on which it conducts its business, through purchasing or constructing new premises
12 or by leasing new premises; and

13 (ii) employ at least 25 individuals in new permanent full-time
14 positions in the new or expanded premises.

15 (2) A tax credit may not be granted under this section if:

16 (i) the business entity has moved its operations from one political
17 subdivision in the State to another;

18 (ii) the new or expanded premises has otherwise been granted a tax
19 credit or exemption under this article for the taxable year; or

20 (iii) the business entity has been certified for a tax credit under
21 Article 83A, [§ 5-1101] § 5-1102 of the Code.

22 (3) IN ADDITION TO THE REQUIREMENTS UNDER PARAGRAPHS (1) AND
23 (2) OF THIS SUBSECTION, TO QUALIFY FOR A TAX CREDIT UNDER THIS SECTION, THE
24 NEW OR EXPANDED PREMISES MUST BE LOCATED IN A PRIORITY FUNDING AREA AS
25 DESIGNATED IN TITLE 5, SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT
26 ARTICLE.

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

29

Chapter 623 of the Acts of 1997

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
31 applicable to all taxable years beginning after December 31, 1996 but before January
32 1, [2006] 2008; provided, however, that the tax credits under [§ 9-229] § 9-230 of the
33 Tax - Property Article, as enacted by Section 1 of this Act, shall be allowed for
34 property and business entities that meet the criteria established in [§ 9-229(c)] §
35 9-230(C) of the Tax - Property Article on or after October 1, 1997 but before January
36 1, [2001] 2003; and provided further that any excess State tax credits under [§
37 9-229(f)(1)] § 9-230(F)(1) of the Tax - Property Article may be carried forward and,
38 subject to the limitations under [§ 9-229(f)(3)] § 9-230(F)(3) of the Tax - Property

1 Article, may be applied as a credit for taxable years beginning on or after January 1,
2 [2003] 2008.

3 SECTION 3. AND BE IT FURTHER ENACTED, That[, subject to the
4 provisions of Section 2 of this Act,] this Act shall take effect October 1, 1997. [It]
5 SUBJECT TO THE PROVISIONS OF SECTION 2 OF THIS ACT, THIS ACT shall remain in
6 effect for a period of [3] 5 years and 3 months and, at the end of December 31, [2000]
7 2002, with no further action required by the General Assembly, this Act shall be
8 abrogated and of no further force and effect.

9

Chapter 624 of the Acts of 1997

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
11 applicable to all taxable years beginning after December 31, 1996 but before January
12 1, [2006] 2008; provided, however, that the tax credits under [§ 9-229] §9-230 of the
13 Tax - Property Article, as enacted by Section 1 of this Act, shall be allowed for
14 property and business entities that meet the criteria established in [§ 9-229(c)] §
15 9-230(C) of the Tax - Property Article on or after October 1, 1997 but before January
16 1, [2001] 2003; and provided further that any excess State tax credits under [§
17 9-229(f)(1)] § 9-230(F)(1) of the Tax - Property Article may be carried forward and,
18 subject to the limitations under [§ 9-229(f)(3)] § 9-230(F)(3) of the Tax - Property
19 Article, may be applied as a credit for taxable years beginning on or after January 1,
20 [2003] 2008.

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26 abrogated and of no further force and effect.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1998 and shall be applicable to all taxable years beginning after December
29 31, 1997.