

SENATE BILL 619

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Q1

1998 Regular Session  
8lr2226

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

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Committee Report: Favorable  
Senate action: Adopted  
Read second time: March 17, 1998

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CHAPTER\_\_\_\_\_

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:

1 **Article - Tax - Property**

2 9-230.

3 (b) (1) The Mayor and City Council of Baltimore City or the governing body  
4 of a county or of a municipal corporation may grant, by law, a property tax credit  
5 against the county or municipal corporation property tax imposed on real property  
6 owned or leased by a business entity that meets the requirements specified under  
7 subsection [(c)] (C)(1) AND (2) of this section and on personal property owned by that  
8 business entity that meets the requirements specified under subsection (d) of this  
9 section.

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

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

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

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

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

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

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

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

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

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

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**Chapter 623 of the Acts of 1997**

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
3 applicable to all taxable years beginning after December 31, 1996 but before January  
4 1, [2006] 2008; provided, however, that the tax credits under [§ 9-229] § 9-230 of the  
5 Tax - Property Article, as enacted by Section 1 of this Act, shall be allowed for  
6 property and business entities that meet the criteria established in [§ 9-229(c)] §  
7 9-230(C) of the Tax - Property Article on or after October 1, 1997 but before January  
8 1, [2001] 2003; and provided further that any excess State tax credits under [§  
9 9-229(f)(1)] § 9-230(F)(1) of the Tax - Property Article may be carried forward and,  
10 subject to the limitations under [§ 9-229(f)(3)] § 9-230(F)(3) of the Tax - Property  
11 Article, may be applied as a credit for taxable years beginning on or after January 1,  
12 [2003] 2008.

13 SECTION 3. AND BE IT FURTHER ENACTED, That[, subject to the  
14 provisions of Section 2 of this Act,] this Act shall take effect October 1, 1997. [It]  
15 SUBJECT TO THE PROVISIONS OF SECTION 2 OF THIS ACT, THIS ACT shall remain in  
16 effect for a period of [3] 5 years and 3 months and, at the end of December 31, [2000]  
17 2002, with no further action required by the General Assembly, this Act shall be  
18 abrogated and of no further force and effect.

19

**Chapter 624 of the Acts of 1997**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
21 applicable to all taxable years beginning after December 31, 1996 but before January  
22 1, [2006] 2008; provided, however, that the tax credits under [§ 9-229] §9-230 of the  
23 Tax - Property Article, as enacted by Section 1 of this Act, shall be allowed for  
24 property and business entities that meet the criteria established in [§ 9-229(c)] §  
25 9-230(C) of the Tax - Property Article on or after October 1, 1997 but before January  
26 1, [2001] 2003; and provided further that any excess State tax credits under [§  
27 9-229(f)(1)] § 9-230(F)(1) of the Tax - Property Article may be carried forward and,  
28 subject to the limitations under [§ 9-229(f)(3)] § 9-230(F)(3) of the Tax - Property  
29 Article, may be applied as a credit for taxable years beginning on or after January 1,  
30 [2003] 2008.

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36 abrogated and of no further force and effect.

37 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
38 October 1, 1998 and shall be applicable to all taxable years beginning after December  
39 31, 1997.

