

SENATE BILL 421

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Q3

1999 Regular Session
9r1872
CF HB 4

By: **Senators Hafer, Stoltzfus, Blount, Colburn, and Sfikas**
Introduced and read first time: February 5, 1999
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 26, 1999

CHAPTER _____

1 AN ACT concerning

2 **One Maryland Economic Development Program for Distressed Counties -**
3 **~~Income~~ Tax Credits**

4 FOR the purpose of allowing certain credits against ~~the State income tax~~ certain
5 taxes for certain costs of certain economic development projects undertaken by
6 certain business entities in certain qualified economically distressed counties
7 and certain start-up costs of certain business entities locating in certain
8 qualified economically distressed counties; defining certain terms; requiring the
9 Secretary of Business and Economic Development to adopt certain regulations;
10 providing for the application of this Act; and generally relating to certain tax
11 credits to encourage capital investment and job creation in certain qualified
12 economically distressed counties.

13 BY adding to
14 Article 83A - Department of Business and Economic Development
15 Section 5-1301 to be under the new subtitle "Subtitle 13. One Maryland
16 Economic Development Tax Credits"
17 Annotated Code of Maryland
18 (1998 Replacement Volume)

19 BY adding to
20 Article - Insurance
21 Section 6-119
22 Annotated Code of Maryland
23 (1997 Volume and 1998 Supplement)

24 BY adding to

1 Article - Tax - General
2 Section 8-220 and 10-712
3 Annotated Code of Maryland
4 (1997 Replacement Volume and 1998 Supplement)

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

7 ~~Article - Tax - General~~

8 ~~40-712.~~

9 Article 83A - Department of Business and Economic Development

10 SUBTITLE 13. ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDITS.

11 5-1301.

12 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.

14 (2) "CENTRAL FINANCIAL, REAL ESTATE, OR INSURANCE SERVICES"
15 MEANS THE PERFORMANCE OF CENTRAL MANAGEMENT OR ADMINISTRATIVE
16 FUNCTIONS FOR A BUSINESS ENTITY ENGAGED IN FINANCIAL, REAL ESTATE, OR
17 INSURANCE SERVICES, SUCH AS GENERAL MANAGEMENT, ACCOUNTING, COMPUTER
18 TABULATING, DATA PROCESSING, PURCHASING, TRANSPORTATION OR SHIPPING,
19 ADVERTISING, LEGAL, FINANCIAL, AND RESEARCH AND DEVELOPMENT.

20 (3) (I) "COMPANY HEADQUARTERS" MEANS A FACILITY WHERE THE
21 MAJORITY OF A BUSINESS ENTITY'S FINANCIAL, PERSONNEL, LEGAL, AND PLANNING
22 FUNCTIONS ARE HANDLED EITHER ON A REGIONAL OR NATIONAL BASIS.

23 (II) "COMPANY HEADQUARTERS" DOES NOT INCLUDE THE
24 HEADQUARTERS OF A PROFESSIONAL SPORTS ORGANIZATION.

25 (4) "ELIGIBLE ECONOMIC DEVELOPMENT PROJECT" MEANS AN
26 ECONOMIC DEVELOPMENT PROJECT ESTABLISHING OR EXPANDING A BUSINESS
27 FACILITY WITHIN A QUALIFIED DISTRESSED COUNTY THAT IS APPROVED BY THE
28 SECRETARY TO RECEIVE THE TAX CREDITS UNDER THIS SECTION.

29 (5) "FULL-TIME POSITION" MEANS A POSITION REQUIRING AT LEAST 840
30 HOURS OF AN EMPLOYEE'S TIME DURING AT LEAST 24 WEEKS IN A 6-MONTH PERIOD.

31 (6) (I) "PROJECT COSTS" MEANS THE COSTS AND EXPENSES
32 INCURRED BY A BUSINESS ENTITY IN CONNECTION WITH THE ACQUISITION,
33 CONSTRUCTION, REHABILITATION, INSTALLATION, AND EQUIPPING OF AN ELIGIBLE
34 ECONOMIC DEVELOPMENT PROJECT.

35 (II) "PROJECT COSTS" INCLUDES:

1 1. THE COSTS OF ACQUIRING, CONSTRUCTING,
2 REHABILITATING, INSTALLING, AND EQUIPPING THE PROJECT, INCLUDING
3 OBLIGATIONS INCURRED FOR LABOR AND TO CONTRACTORS, SUBCONTRACTORS,
4 BUILDERS, AND MATERIALMEN;

5 2. THE COSTS OF ACQUIRING LAND OR RIGHTS IN LAND AND
6 COSTS INCIDENTAL TO ACQUIRING LAND OR RIGHTS IN LAND;

7 3. THE COSTS OF CONTRACT BONDS AND INSURANCE THAT
8 ARE REQUIRED OR NECESSARY DURING THE ACQUISITION, CONSTRUCTION, OR
9 INSTALLATION OF THE PROJECT;

10 4. THE COSTS OF ARCHITECTURAL AND ENGINEERING
11 SERVICES, INCLUDING TEST BORINGS, SURVEYS, ESTIMATES, PLANS AND
12 SPECIFICATIONS, PRELIMINARY INVESTIGATIONS, ENVIRONMENTAL MITIGATION,
13 AND SUPERVISION OF CONSTRUCTION;

14 5. THE COSTS FOR THE PERFORMANCE OF ALL THE DUTIES
15 REQUIRED BY OR CONSEQUENT TO THE ACQUISITION, CONSTRUCTION, AND
16 INSTALLATION OF THE PROJECT;

17 6. THE COSTS REQUIRED FOR THE INSTALLATION OF
18 UTILITIES SUCH AS WATER, SEWER, SEWER TREATMENT, GAS, ELECTRICITY,
19 COMMUNICATIONS, RAILROADS, AND SIMILAR FACILITIES;

20 7. THE INTEREST COSTS PRIOR TO AND DURING THE
21 ACQUISITION, CONSTRUCTION, AND INSTALLATION, AND EQUIPMENT OF THE
22 PROJECT AND FOR A PERIOD OF UP TO 2 YEARS AFTER COMPLETION OF THE
23 PROJECT;

24 8. THE COSTS, EXPENSES, AND FEES INCURRED IN
25 CONNECTION WITH THE FINANCING OF THE PROJECT, INCLUDING LEGAL,
26 ACCOUNTING, FINANCIAL, PRINTING, RECORDING, FILING COSTS, FEES, AND
27 EXPENSES; AND

28 9. THE COSTS OF OBTAINING BOND INSURANCE, LETTERS
29 OF CREDIT, OR OTHER FORMS OF CREDIT ENHANCEMENT OR LIQUIDITY FACILITIES.

30 (7) "QUALIFIED BUSINESS ENTITY" MEANS A PERSON CONDUCTING OR
31 OPERATING A TRADE OR BUSINESS IN MARYLAND WHO:

32 (I) ESTABLISHES OR EXPANDS A BUSINESS FACILITY THAT:

33 1. IS LOCATED IN A QUALIFIED DISTRESSED COUNTY IN THE
34 STATE; AND

35 2. IS LOCATED WITHIN A PRIORITY FUNDING AREA UNDER §
36 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT ARTICLE OR IS ELIGIBLE FOR
37 FUNDING OUTSIDE OF A PRIORITY FUNDING AREA UNDER § 5-7B-05 OR § 5-7B-06 OF
38 THE STATE FINANCE AND PROCUREMENT ARTICLE;

1 (II) DURING ANY 24-MONTH PERIOD CREATES AT LEAST 25
2 QUALIFIED POSITIONS AT THE NEW OR EXPANDED BUSINESS FACILITY;

3 (III) IS PRIMARILY ENGAGED AT THE NEW OR EXPANDED BUSINESS
4 FACILITY IN THE QUALIFIED DISTRESSED COUNTY IN ONE OR MORE OF THE
5 FOLLOWING:

- 6 1. MANUFACTURING OR MINING;
- 7 2. TRANSPORTATION OR COMMUNICATIONS;
- 8 3. FILMMAKING, RESORT, AND RECREATIONAL BUSINESS;
- 9 4. AGRICULTURE, FORESTRY, OR FISHING;
- 10 5. RESEARCH, DEVELOPMENT, OR TESTING;
- 11 6. BIOTECHNOLOGY;
- 12 7. COMPUTER PROGRAMMING, DATA PROCESSING, OR
13 OTHER COMPUTER RELATED SERVICES;
- 14 8. CENTRAL FINANCIAL, REAL ESTATE, OR INSURANCE
15 SERVICES;
- 16 9. THE OPERATION OF CENTRAL ADMINISTRATIVE OFFICES
17 OR A COMPANY HEADQUARTERS;
- 18 10. A PUBLIC UTILITY;
- 19 11. WAREHOUSING; OR
- 20 12. BUSINESS SERVICES; AND

21 (IV) IS CERTIFIED BY THE SECRETARY UNDER SUBSECTION (E) OF
22 THIS SECTION AS QUALIFYING FOR THE TAX CREDITS UNDER THIS SECTION.

23 (8) "QUALIFIED DISTRESSED COUNTY" MEANS A COUNTY, INCLUDING
24 BALTIMORE CITY, FOR WHICH:

25 (I) THE AVERAGE RATE OF UNEMPLOYMENT FOR THE MOST
26 RECENT 18-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE IS GREATER THAN
27 150% OF THE AVERAGE RATE OF UNEMPLOYMENT FOR THE ENTIRE STATE DURING
28 THAT SAME PERIOD; OR

29 (II) THE AVERAGE PER CAPITA PERSONAL INCOME FOR THE MOST
30 RECENT 24-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE IS EQUAL TO OR LESS
31 THAN 67% OF THE AVERAGE PERSONAL PER CAPITA INCOME FOR THE ENTIRE STATE
32 DURING THAT SAME PERIOD.

1 (9) "QUALIFIED EMPLOYEE" MEANS AN EMPLOYEE FILLING A
2 QUALIFIED POSITION.

3 (10) (I) "QUALIFIED POSITION" MEANS A POSITION THAT:

4 1. IS A FULL-TIME POSITION AND IS OF INDEFINITE
5 DURATION;

6 2. PAYS AT LEAST 150% OF THE FEDERAL MINIMUM WAGE;

7 3. IS LOCATED IN A QUALIFIED DISTRESSED COUNTY IN
8 MARYLAND;

9 4. IS NEWLY CREATED, AS A RESULT OF THE
10 ESTABLISHMENT OR EXPANSION OF A BUSINESS FACILITY IN A SINGLE LOCATION IN
11 THE QUALIFIED DISTRESSED COUNTY; AND

12 5. IS FILLED.

13 (II) "QUALIFIED POSITION" DOES NOT INCLUDE A POSITION THAT
14 IS:

15 1. CREATED WHEN AN EMPLOYMENT FUNCTION IS SHIFTED
16 FROM AN EXISTING BUSINESS FACILITY OF THE BUSINESS ENTITY LOCATED IN
17 MARYLAND TO ANOTHER BUSINESS FACILITY OF THE SAME BUSINESS ENTITY IF
18 THE POSITION DOES NOT REPRESENT A NET NEW JOB IN THE STATE;

19 2. CREATED THROUGH A CHANGE IN OWNERSHIP OF A
20 TRADE OR BUSINESS;

21 3. CREATED THROUGH A CONSOLIDATION, MERGER, OR
22 RESTRUCTURING OF A BUSINESS ENTITY IF THE POSITION DOES NOT REPRESENT A
23 NET NEW JOB IN THE STATE;

24 4. CREATED WHEN AN EMPLOYMENT FUNCTION IS
25 CONTRACTUALLY SHIFTED FROM AN EXISTING BUSINESS ENTITY LOCATED IN THE
26 STATE TO ANOTHER BUSINESS ENTITY IF THE POSITION DOES NOT REPRESENT A
27 NET NEW JOB IN THE STATE; OR

28 5. FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.

29 (11) "SECRETARY" MEANS THE SECRETARY OF BUSINESS AND ECONOMIC
30 DEVELOPMENT.

31 (12) "START-UP COSTS" MEANS:

32 (I) A COMPANY'S COST TO FURNISH AND EQUIP A NEW LOCATION
33 FOR ORDINARY BUSINESS FUNCTIONS, INCLUDING COMPUTERS, NONRECURRING
34 COSTS OF FIXED TELECOMMUNICATIONS EQUIPMENT, FURNISHINGS, AND OFFICE
35 EQUIPMENT; AND

1 (II) A COMPANY'S EXPENDITURES FOR MOVING COSTS,
2 SEPARATION COSTS, AND ANY OTHER EXPENDITURE INCURRED BY A COMPANY
3 DIRECTLY RELATED TO A MOVE FROM AN EXISTING LOCATION OUTSIDE OF
4 MARYLAND TO A LOCATION IN A QUALIFIED DISTRESSED COUNTY IN MARYLAND.

5 (B) (1) A QUALIFIED BUSINESS ENTITY MAY CLAIM A TAX CREDIT UNDER
6 THIS SUBSECTION ~~AGAINST THE STATE INCOME TAX~~ FOR THE COSTS OF AN
7 ELIGIBLE ECONOMIC DEVELOPMENT PROJECT IN A QUALIFIED DISTRESSED
8 COUNTY IF THE QUALIFIED BUSINESS ENTITY'S TOTAL PROJECT COSTS FOR THE
9 ELIGIBLE ECONOMIC DEVELOPMENT PROJECT IS AT LEAST \$500,000.

10 (2) THE CREDIT ALLOWED UNDER THIS SUBSECTION EQUALS THE
11 LESSER OF:

12 (I) 100% OF THE PROJECT COSTS FOR THE ELIGIBLE ECONOMIC
13 DEVELOPMENT PROJECT, LESS THE AMOUNT OF THE CREDIT ALLOWED WITH
14 RESPECT TO THE PROJECT FOR PRIOR TAXABLE YEARS; OR

15 (II) THE STATE ~~INCOME~~ TAX FOR THE TAXABLE YEAR ON THE
16 BUSINESS ENTITY'S INCOME GENERATED BY OR ARISING OUT OF THE PROJECT, AS
17 DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

18 (3) (I) THE STATE ~~INCOME~~ TAX FOR THE TAXABLE YEAR ON THE
19 BUSINESS ENTITY'S INCOME GENERATED BY OR ARISING OUT OF AN ELIGIBLE
20 ECONOMIC DEVELOPMENT PROJECT SHALL EQUAL THE DIFFERENCE BETWEEN:

21 1. THE STATE ~~INCOME~~ TAX WITHOUT REGARD TO THIS
22 SECTION; AND

23 2. THE STATE ~~INCOME~~ TAX ON THE BUSINESS ENTITY'S
24 MARYLAND TAXABLE INCOME REDUCED BY THE AMOUNT OF ITS NET INCOME
25 ATTRIBUTABLE TO THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT.

26 (II) 1. IF AN ELIGIBLE ECONOMIC DEVELOPMENT PROJECT IS A
27 TOTALLY SEPARATE FACILITY, NET INCOME ATTRIBUTABLE TO THE PROJECT SHALL
28 BE DETERMINED UNDER THE SEPARATE ACCOUNTING METHOD REFLECTING ONLY
29 THE GROSS INCOME, DEDUCTIONS, EXPENSES, GAINS, AND LOSSES THAT ARE
30 DIRECTLY ATTRIBUTABLE TO THE FACILITY AND OVERHEAD EXPENSES
31 APPORTIONED TO THE FACILITY.

32 2. IF THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT IS
33 AN EXPANSION TO A PREVIOUSLY EXISTING FACILITY:

34 A. NET INCOME ATTRIBUTABLE TO THE ENTIRE FACILITY
35 SHALL BE DETERMINED UNDER THE SEPARATE ACCOUNTING METHOD REFLECTING
36 ONLY THE GROSS INCOME, DEDUCTIONS, EXPENSES, GAINS, AND LOSSES THAT ARE
37 DIRECTLY ATTRIBUTABLE TO THE FACILITY AND OVERHEAD EXPENSES
38 APPORTIONED TO THE FACILITY; AND

1 B. THE NET INCOME ATTRIBUTABLE TO THE ELIGIBLE
2 ECONOMIC DEVELOPMENT PROJECT SHALL BE DETERMINED BY APPORTIONING THE
3 SEPARATE ACCOUNTING NET INCOME OF THE ENTIRE FACILITY TO THE ELIGIBLE
4 ECONOMIC DEVELOPMENT PROJECT BY A FORMULA APPROVED BY THE
5 COMPTROLLER OR THE DEPARTMENT.

6 3. IF A BUSINESS ENTITY CAN SHOW TO THE SATISFACTION
7 OF THE COMPTROLLER OR THE DEPARTMENT THAT THE NATURE OF THE
8 OPERATIONS AND ACTIVITIES OF THE BUSINESS ENTITY ARE SUCH THAT IT IS NOT
9 PRACTICAL TO USE THE SEPARATE ACCOUNTING METHOD TO DETERMINE THE NET
10 INCOME FROM THE FACILITY AT WHICH THE ELIGIBLE ECONOMIC DEVELOPMENT
11 PROJECT IS LOCATED, THE BUSINESS ENTITY SHALL DETERMINE NET INCOME FROM
12 THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT USING AN ALTERNATIVE
13 METHOD APPROVED BY THE COMPTROLLER OR THE DEPARTMENT.

14 ~~(4) (I) IF THE PROJECT COSTS FOR THE ELIGIBLE ECONOMIC
15 DEVELOPMENT PROJECT LESS THE AMOUNT OF THE CREDIT ALLOWED WITH
16 RESPECT TO THE PROJECT FOR PRIOR TAXABLE YEARS EXCEEDS THE STATE INCOME
17 TAX ON THE BUSINESS ENTITY'S INCOME GENERATED BY OR ARISING OUT OF THE
18 PROJECT FOR THAT TAXABLE YEAR, A QUALIFIED BUSINESS ENTITY ELIGIBLE FOR
19 THE CREDIT UNDER THIS SUBSECTION MAY CLAIM ANY EXCESS AS A CREDIT FOR
20 THE PAYMENT OF WITHHOLDING TAXES THAT THE QUALIFIED BUSINESS ENTITY IS
21 REQUIRED TO PAY TO THE COMPTROLLER UNDER § 10-906(A) OF THIS TITLE, IN THE
22 MANNER PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.~~

23 ~~(H) ANY CREDIT UNUSED UNDER EITHER THIS SUBSECTION OR
24 SUBSECTION (C) OF THIS SECTION MAY BE APPLIED AS A CREDIT FOR UP TO 14
25 TAXABLE YEARS AFTER THE FIRST TAXABLE YEAR IN WHICH THE CREDIT IS
26 CLAIMED WITH RESPECT TO THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT OR
27 UNTIL FULLY USED.~~

28 (4) IF THE PROJECT COSTS FOR THE ELIGIBLE ECONOMIC
29 DEVELOPMENT PROJECT EXCEEDS THE STATE TAX ON THE BUSINESS ENTITY'S
30 INCOME GENERATED BY OR ARISING OUT OF THE PROJECT FOR THE TAXABLE YEAR
31 IN WHICH THE PROJECT IS PLACED IN SERVICE, THE QUALIFIED BUSINESS ENTITY
32 MAY APPLY ANY EXCESS AS A CREDIT AGAINST THE STATE TAX FOR SUCCEEDING
33 TAXABLE YEARS ON THE BUSINESS ENTITY'S INCOME GENERATED BY OR ARISING
34 OUT OF THE PROJECT UNTIL THE EARLIER OF:

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

36 (II) THE EXPIRATION OF THE 14TH TAXABLE YEAR FOLLOWING THE
37 TAXABLE YEAR IN WHICH THE PROJECT IS PLACED IN SERVICE.

38 (C) (1) A QUALIFIED BUSINESS ENTITY THAT LOCATES IN A QUALIFIED
39 DISTRESSED COUNTY MAY CLAIM A TAX CREDIT IN THE AMOUNT PROVIDED IN
40 PARAGRAPH (2) OF THIS SUBSECTION ~~AS A CREDIT FOR THE PAYMENT TO THE
41 COMPTROLLER OF TAXES THAT THE QUALIFIED BUSINESS ENTITY:~~

1 (4) ~~IS REQUIRED TO WITHHOLD FROM THE WAGES OF EMPLOYEES~~
2 ~~UNDER § 10-908 OF THIS TITLE; AND~~

3 (4) ~~IS REQUIRED TO PAY TO THE COMPTROLLER UNDER § 10-906(A)~~
4 ~~OF THIS TITLE.~~

5 (2) THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR EACH
6 TAXABLE YEAR EQUALS THE LESSER OF:

7 (I) 100% OF THE BUSINESS ENTITY'S START-UP COSTS ASSOCIATED
8 WITH ESTABLISHING OR EXPANDING A BUSINESS FACILITY IN A QUALIFIED
9 DISTRESSED COUNTY, LESS THE AMOUNT OF THE CREDIT ALLOWED WITH RESPECT
10 TO THE PROJECT FOR PRIOR TAXABLE YEARS; OR

11 (II) THE PRODUCT OF MULTIPLYING \$10,000 TIMES THE NUMBER
12 OF QUALIFIED EMPLOYEES EMPLOYED AT THE NEW OR EXPANDED BUSINESS
13 FACILITY.

14 ~~(3) THE CREDIT ALLOWED UNDER THIS SUBSECTION MAY BE ALLOWED~~
15 ~~FOR A MAXIMUM OF 10 YEARS.~~

16 (3) IF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR THE
17 TAXABLE YEAR IN WHICH A QUALIFIED BUSINESS ENTITY LOCATES IN A QUALIFIED
18 DISTRESSED COUNTY EXCEEDS THE TOTAL TAX OTHERWISE DUE FROM THE
19 QUALIFIED BUSINESS ENTITY FOR THAT TAXABLE YEAR, THE QUALIFIED BUSINESS
20 ENTITY MAY APPLY THE EXCESS AS A CREDIT FOR SUCCEEDING TAXABLE YEARS
21 UNTIL THE EARLIER OF:

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

23 (II) THE EXPIRATION OF THE 14TH TAXABLE YEAR FOLLOWING THE
24 TAXABLE YEAR IN WHICH THE QUALIFIED BUSINESS ENTITY LOCATES IN A
25 QUALIFIED DISTRESSED COUNTY.

26 (D) THE SECRETARY SHALL ADOPT REGULATIONS TO SPECIFY CRITERIA AND
27 PROCEDURES FOR APPLICATION AND APPROVAL OF PROJECTS FOR THE TAX CREDIT
28 UNDER THIS SECTION.

29 (E) (1) TO BE CERTIFIED AS A QUALIFIED BUSINESS ENTITY, A BUSINESS
30 ENTITY SHALL SUBMIT THE FOLLOWING TO THE SECRETARY IN ACCORDANCE WITH
31 REGULATIONS ADOPTED BY THE SECRETARY:

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

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

35 (III) THE NUMBER OF QUALIFIED POSITIONS CREATED, QUALIFIED
36 EMPLOYEES HIRED, AND THE PAYROLL OF THOSE EMPLOYEES; AND

1 (IV) ANY OTHER INFORMATION THAT THE SECRETARY REQUIRES
2 BY REGULATION.

3 (2) THE SECRETARY MAY REQUIRE ANY INFORMATION REQUIRED
4 UNDER THIS SUBSECTION TO BE VERIFIED BY AN INDEPENDENT AUDITOR
5 SELECTED BY THE BUSINESS ENTITY.

6 (F) A QUALIFIED BUSINESS ENTITY MUST OBTAIN AND SUBMIT TO THE
7 COMPTROLLER WITH THE TAX RETURN ON WHICH THE CREDIT IS CLAIMED,
8 CERTIFICATION FROM THE SECRETARY THAT THE ENTITY HAS MET THE
9 REQUIREMENTS OF THIS SECTION AND IS ELIGIBLE FOR THE CREDIT.

10 **Article - Insurance**

11 6-119.

12 AN INSURER MAY CLAIM A CREDIT AGAINST THE PREMIUM TAX FOR ONE
13 MARYLAND START-UP COSTS AS PROVIDED UNDER ARTICLE 83A, § 5-1301(C) OF THE
14 CODE.

15 **Article - Tax - General**

16 8-220.

17 A FINANCIAL INSTITUTION MAY CLAIM A CREDIT AGAINST THE FINANCIAL
18 INSTITUTION FRANCHISE TAX FOR ONE MARYLAND PROJECT COSTS AND START-UP
19 COSTS AS PROVIDED UNDER ARTICLE 83A, § 5-1301(B) AND (C) OF THE CODE.

20 10-712.

21 AN INDIVIDUAL OR CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE
22 INCOME TAX FOR ONE MARYLAND PROJECT COSTS AND START-UP COSTS AS
23 PROVIDED UNDER ARTICLE 83A, § 5-1301(B) AND (C) OF THE CODE.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 1999, and shall be applicable to all taxable years beginning after December 31,
26 1999.