

SENATE BILL 779

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Q7

1999 Regular Session
9lr2535
CF 9lr2536

By: **Senator Ruben (Montgomery County Administration)**
Introduced and read first time: March 5, 1999
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credits - New or Expanded Business Premises**

3 FOR the purpose of clarifying the process by which counties and municipal
4 corporations elect to allow certain business entities to qualify for certain tax
5 credits; clarifying that certain premises must be newly constructed to qualify for
6 a tax credit; providing for notice and certification procedures; providing for a
7 limited time in which the credits must be earned; providing that the affiliates of
8 certain business entities are included for certain purposes relating to qualifying
9 for and claiming certain enhanced property tax credits for certain new or
10 expanded business premises and certain newly renovated premises under
11 certain circumstances; eliminating a prohibition against granting the credits to
12 a business entity that has been certified for a certain other tax credit; providing
13 for the calculation of enhanced property tax credits allowed for certain business
14 entities, including their affiliates, that satisfy certain requirements; providing
15 that additional requirements must be met for business entities, including their
16 affiliates, to qualify for the enhanced property tax credit; revising certain tax
17 credit recapture provisions; clarifying a requirement that a lessor of real
18 property eligible for certain tax credits make certain reductions under a lease
19 agreement under certain circumstances; providing for the continuing eligibility
20 of a business entity that has qualified for certain tax credits for the tax credits
21 for their full scheduled terms even if this Act is repealed, amended or abrogated;
22 repealing certain termination provisions applicable to certain tax credits;
23 providing for the applicability of this Act; providing for the effect of certain
24 notification regarding certain actions taken before the effective date of this Act;
25 defining certain terms; altering and deleting certain definitions; and generally
26 relating to certain property tax and State tax credits granted to certain business
27 entities that construct or expand certain new or expanded business premises
28 under certain circumstances.

29 BY repealing and reenacting, with amendments,
30 Article - Tax - Property
31 Section 9-230
32 Annotated Code of Maryland
33 (1994 Replacement Volume and 1998 Supplement)

1 BY repealing and reenacting, with amendments,
 2 Chapter 623 of the Acts of the General Assembly of 1997, as amended by
 3 Chapter 623 of the Acts of the General Assembly of 1998
 4 Section 2 and 3

5 BY repealing and reenacting, with amendments,
 6 Chapter 624 of the Acts of the General Assembly of 1997, as amended by
 7 Chapter 623 of the Acts of the General Assembly of 1998
 8 Section 2 and 3

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

11 **Article - Tax - Property**

12 9-230.

13 (a) (1) In this section the following words have the meanings indicated.

14 (2) "AFFILIATE" MEANS A PERSON:

15 (I) THAT DIRECTLY OR INDIRECTLY OWNS AT LEAST 80% OF A
 16 BUSINESS ENTITY; OR

17 (II) 80% OF WHICH IS OWNED, DIRECTLY OR INDIRECTLY, BY A
 18 BUSINESS ENTITY.

19 [(2)] (3) "Business entity" means a person conducting a trade or
 20 business in the State, that is subject to the State individual or corporate income tax,
 21 insurance premiums tax, financial institution franchise tax, or public service
 22 company franchise tax.

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

25 [(3)] (5) (i) "New permanent full-time position" means a position that
 26 is:

27 1. a full-time position of indefinite duration;

28 2. located in Maryland;

29 3. newly created, as a result of the establishment or
 30 expansion of a business facility in the State; and

31 4. filled.

32 (ii) "New permanent full-time position" does not include a position
 33 that is:

1 1. created when an employment function is shifted from an
2 existing business facility of the business entity OR ITS AFFILIATES located in
3 Maryland to another business facility of the same business entity OR ITS AFFILIATES,
4 if the position does not represent a net new job in the State;

5 2. created through a change in ownership of a trade or
6 business;

7 3. created through a consolidation, merger, or restructuring
8 of a business entity OR ITS AFFILIATES, if the position does not represent a net new
9 job in the State;

10 4. created when an employment function is contractually
11 shifted from an existing business entity OR ITS AFFILIATES, located in the State to
12 another business entity OR ITS AFFILIATES, if the position does not represent a net
13 new job in the State; or

14 5. filled for a period of less than 12 months.

15 [(4)] (6) "New or expanded premises" means real property, including a
16 building or part of a building that has not been previously occupied, where a business
17 entity [locates] OR ITS AFFILIATES LOCATE to conduct [its] business.

18 [(5)] "Assessed value" is the value of real property as determined by the
19 Department to which a county or municipal corporation property tax rate may be
20 applied.]

21 (7) "NOTIFICATION DATE" MEANS THE DATE ON WHICH THE BUSINESS
22 ENTITY PROVIDES WRITTEN NOTICE TO THE COUNTY OR MUNICIPAL CORPORATION
23 AS REQUIRED UNDER SUBSECTION (B)(6) OF THIS SECTION.

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 ENACT LEGISLATION NECESSARY TO
26 grant[, by law,] EITHER [a] property tax [credit] CREDITS, ENHANCED PROPERTY
27 TAX CREDITS, OR BOTH TYPES OF PROPERTY TAX CREDITS against the county or
28 municipal corporation property tax imposed on real property owned or leased by [a]
29 business [entity] ENTITIES that [meets] MEET the requirements specified FOR THE
30 APPLICABLE TAX CREDIT under [subsection (c)(1) and (2) of] this section and on
31 personal property owned by [that] business [entity] ENTITIES that [meets] MEET
32 the requirements specified under [subsection (d) of] this section.

33 (2) (I) If a property tax credit is granted under paragraph (1) of this
34 subsection, a business entity that meets the requirements FOR THE PROPERTY TAX
35 CREDIT UNDER [specified under subsection (c)(3) of] this section AND OBTAINS
36 CERTIFICATION FROM THE COUNTY OR MUNICIPAL CORPORATION may claim a State
37 tax credit against the individual or corporate income tax, insurance premiums tax,
38 financial institution franchise tax, or public service company franchise tax as
39 provided under [subsection (f)] SUBSECTION (C)(3) of this section.

1 (II) IF AN ENHANCED PROPERTY TAX CREDIT IS GRANTED UNDER
2 THIS SECTION AND A BUSINESS ENTITY AND ITS AFFILIATES MEET THE
3 REQUIREMENTS FOR THE ENHANCED PROPERTY TAX CREDIT AND OBTAIN
4 CERTIFICATION FROM THE COUNTY OR MUNICIPAL CORPORATION, THE BUSINESS
5 ENTITY OR ANY OF ITS AFFILIATES MAY CLAIM A STATE TAX CREDIT AGAINST THE
6 INDIVIDUAL OR CORPORATE INCOME TAX, INSURANCE PREMIUMS TAX, FINANCIAL
7 INSTITUTION FRANCHISE TAX, OR PUBLIC SERVICE COMPANY FRANCHISE TAX AS
8 PROVIDED UNDER SUBSECTION (D)(4) 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)] (3) A tax credit may not be granted under this section if:

16 (i) the business entity [has] OR ANY OF ITS AFFILIATES HAVE
17 moved [its] THEIR operations from one [political subdivision] COUNTY in the State
18 to THE NEW OR EXPANDED PREMISES IN another; OR

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

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

23 [(3)] (4) [In addition to the requirements under paragraphs (1) and (2)
24 of this subsection, to] TO qualify for a tax credit under this section, the new or
25 expanded premises must be located in a priority funding area as designated in Title 5,
26 Subtitle 7B of the State Finance and Procurement Article.

27 [(d)] (5) To qualify for a property tax credit under this section against
28 property tax imposed on personal property a business entity shall certify that the
29 personal property is located on the [new or expanded] premises that qualify for a
30 PROPERTY tax credit OR ENHANCED PROPERTY TAX CREDIT under [subsection (c) of]
31 this section.

32 (6) TO QUALIFY FOR A TAX CREDIT UNDER THIS SECTION, BEFORE IT
33 OBTAINS THE NEW OR EXPANDED PREMISES OR HIRES EMPLOYEES TO FILL THE
34 NEW PERMANENT FULL-TIME POSITIONS AT THE NEW OR EXPANDED PREMISES, A
35 BUSINESS ENTITY SHALL PROVIDE WRITTEN NOTIFICATION TO THE COUNTY OR
36 MUNICIPAL CORPORATION IN WHICH THE NEW OR EXPANDED PREMISES ARE
37 LOCATED:

38 (I) THAT IT INTENDS TO CLAIM THE PROPERTY TAX CREDIT OR
39 ENHANCED PROPERTY TAX CREDIT;

1 (II) IF IT INTENDS TO CLAIM THE ENHANCED PROPERTY TAX
 2 CREDIT, HOW IT EXPECTS TO MEET THE REQUIREMENTS TO QUALIFY FOR THE
 3 ENHANCED PROPERTY TAX CREDIT; AND

4 (III) WHEN IT EXPECTS TO OBTAIN THE NEW OR EXPANDED
 5 PREMISES AND HIRE THE REQUIRED NUMBER OF EMPLOYEES IN THE NEW
 6 PERMANENT FULL-TIME POSITIONS.

7 (7) IF A BUSINESS ENTITY MEETS THE REQUIREMENTS FOR A TAX
 8 CREDIT UNDER THIS SECTION, THE COUNTY OR MUNICIPAL CORPORATION SHALL
 9 CERTIFY TO THE DEPARTMENT AND THE DEPARTMENT OF BUSINESS AND
 10 ECONOMIC DEVELOPMENT THAT THE BUSINESS ENTITY HAS MET THE
 11 REQUIREMENTS FOR THE TAX CREDIT.

12 (C) (1) TO QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS
 13 SUBSECTION, A BUSINESS ENTITY SHALL:

14 (I) OBTAIN AT LEAST 5,000 SQUARE FEET OF NEW OR EXPANDED
 15 PREMISES BY PURCHASING NEWLY CONSTRUCTED PREMISES, CONSTRUCTING NEW
 16 PREMISES, OR LEASING NEWLY CONSTRUCTED PREMISES; AND

17 (II) EMPLOY AT LEAST 25 INDIVIDUALS IN NEW PERMANENT
 18 FULL-TIME POSITIONS DURING A 24-MONTH PERIOD, DURING WHICH PERIOD THE
 19 BUSINESS ENTITY MUST ALSO OBTAIN AND OCCUPY THE NEW OR EXPANDED
 20 PREMISES.

21 [(e) (1)](2) [The governing body of] IF A BUSINESS ENTITY MEETS THE
 22 REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION AND SUBSECTION (B) OF
 23 THIS SECTION AND OF APPLICABLE LOCAL LAW ADOPTED UNDER SUBSECTION (B)(1)
 24 OF THIS SECTION, the county or municipal corporation shall compute the amount of
 25 the property tax credit granted under THIS subsection [(b)(1) of this section] for new
 26 or expanded premises and the personal property located on those premises that may
 27 be claimed against the county or municipal corporation property taxes that would
 28 otherwise be due to equal a percentage of the amount of property tax imposed on the
 29 [assessed value] ASSESSMENT of the new or expanded premises, as follows:

30 (i) 52% for the 1st and 2nd taxable years;

31 (ii) 39% in the 3rd and 4th taxable years;

32 (iii) 26% in the 5th and 6th taxable years; and

33 (iv) 0% for each taxable year thereafter.

34 [(2) The county or municipal corporation shall notify the Department that
 35 a business entity has been approved for the property tax credit and the assessed value
 36 of the new or expanded premises.

37 (f) (1) (3) On receipt of notification under subsection [(e)(2)] (B)(7) of this
 38 section THAT A BUSINESS ENTITY HAS BEEN CERTIFIED FOR A PROPERTY TAX

1 CREDIT UNDER THIS SUBSECTION, the Department shall compute and certify to the
2 Comptroller the amount of the State tax credit authorized under THIS subsection
3 [(b)(2) of this section] that may be claimed against the individual or corporate income
4 tax, insurance premiums tax, financial institution franchise tax, or public service
5 company franchise tax that would otherwise be due to equal a percentage of the
6 amount of property tax imposed on the [assessed value] ASSESSMENT of the new or
7 expanded premises, as follows:

- 8 (i) 28% in the 1st and 2nd taxable years;
- 9 (ii) 21% in the 3rd and 4th taxable years;
- 10 (iii) 14% in the 5th and 6th taxable years; and
- 11 (iv) 0% for each taxable year thereafter.

12 (D)(1) FOR A BUSINESS ENTITY TO QUALIFY FOR AN ENHANCED PROPERTY TAX
13 CREDIT UNDER THIS SUBSECTION, THE BUSINESS ENTITY, ALONG WITH ITS
14 AFFILIATES, SHALL:

15 (I) 1. OBTAIN AT LEAST 250,000 SQUARE FEET OF NEW OR
16 EXPANDED PREMISES BY PURCHASING NEWLY CONSTRUCTED PREMISES,
17 CONSTRUCTING NEW PREMISES, CAUSING NEW PREMISES TO BE CONSTRUCTED, OR
18 LEASING NEWLY CONSTRUCTED PREMISES;

19 2. CONTINUE TO EMPLOY AT LEAST 2,500 INDIVIDUALS IN
20 EXISTING PERMANENT FULL-TIME POSITIONS PAYING AT LEAST 150% OF THE
21 FEDERAL MINIMUM WAGE AND LOCATED AT PREMISES IN THE STATE WHERE THE
22 BUSINESS ENTITY, ALONG WITH ITS AFFILIATES, IS PRIMARILY ENGAGED IN ONE OR
23 MORE OF THE INDUSTRIES LISTED IN PARAGRAPH (2) OF THIS SUBSECTION; AND

24 3. EMPLOY AT LEAST 500 INDIVIDUALS IN NEW PERMANENT
25 FULL-TIME POSITIONS PAYING AT LEAST 150% OF THE FEDERAL MINIMUM WAGE
26 AND LOCATED IN THE NEW OR EXPANDED PREMISES, AND, IF APPLICABLE, IN
27 NEWLY RENOVATED PREMISES ADJOINING OR OTHERWISE NEIGHBORING THE NEW
28 OR EXPANDED PREMISES; OR

29 (II) 1. OBTAIN AT LEAST 250,000 SQUARE FEET OF NEW OR
30 EXPANDED PREMISES BY PURCHASING NEWLY CONSTRUCTED PREMISES,
31 CONSTRUCTING NEW PREMISES, CAUSING NEW PREMISES TO BE CONSTRUCTED, OR
32 LEASING NEWLY CONSTRUCTED PREMISES; AND

33 2. EMPLOY AT LEAST 1,250 INDIVIDUALS IN NEW
34 PERMANENT FULL-TIME POSITIONS PAYING AT LEAST 150% OF THE FEDERAL
35 MINIMUM WAGE AND LOCATED IN THE NEW OR EXPANDED PREMISES AND, IF
36 APPLICABLE, IN NEWLY RENOVATED PREMISES ADJOINING OR OTHERWISE
37 NEIGHBORING THE NEW OR EXPANDED PREMISES.

38 (2) FOR A BUSINESS ENTITY TO QUALIFY FOR AN ENHANCED PROPERTY
39 TAX CREDIT UNDER THIS SUBSECTION, THE BUSINESS ENTITY, ALONG WITH ITS

1 AFFILIATES, SHALL BE PRIMARILY ENGAGED IN ONE OR MORE OF THE FOLLOWING
2 AT THE QUALIFYING PREMISES:

- 3 (I) MANUFACTURING OR MINING;
- 4 (II) TRANSPORTATION OR COMMUNICATIONS;
- 5 (III) AGRICULTURE, FORESTRY, OR FISHING;
- 6 (IV) RESEARCH, DEVELOPMENT, OR TESTING;
- 7 (V) BIOTECHNOLOGY;
- 8 (VI) COMPUTER PROGRAMMING, DATA PROCESSING, OR OTHER
9 COMPUTER-RELATED SERVICES;
- 10 (VII) CENTRAL FINANCIAL, REAL ESTATE, OR INSURANCE SERVICES;
- 11 (VIII) THE OPERATION OF CENTRAL ADMINISTRATIVE OFFICES OR A
12 COMPANY HEADQUARTERS;
- 13 (IX) A PUBLIC UTILITY;
- 14 (X) WAREHOUSING; OR
- 15 (XI) BUSINESS SERVICES.

16 (3) TO QUALIFY FOR THE ENHANCED PROPERTY TAX CREDIT UNDER
17 THIS SUBSECTION, A BUSINESS ENTITY SHALL:

18 (I) WITHIN A 6-YEAR PERIOD BEGINNING ON THE NOTIFICATION
19 DATE, EMPLOY INDIVIDUALS IN THE NUMBER OF NEW PERMANENT FULL-TIME
20 POSITIONS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION;

21 (II) DURING THE 6-YEAR HIRING PERIOD, OBTAIN AND OCCUPY
22 THE NEW OR EXPANDED PREMISES AND, IF APPLICABLE, THE NEWLY RENOVATED
23 PREMISES ADJOINING OR OTHERWISE NEIGHBORING THE NEW OR EXPANDED
24 PREMISES; AND

25 (III) DURING THE 6-YEAR HIRING PERIOD, COMPLY WITH ALL
26 OTHER REQUIREMENTS FOR THE CREDITS DESCRIBED IN THIS SUBSECTION AND IN
27 ANY APPLICABLE LOCAL LAW.

28 (4) (I) IF A BUSINESS ENTITY MEETS THE REQUIREMENTS OF THIS
29 SUBSECTION AND SUBSECTION (B) OF THIS SECTION AND OF APPLICABLE LOCAL
30 LAW ADOPTED UNDER SUBSECTION (B)(1) OF THIS SECTION, FOR EACH OF THE FIRST
31 12 TAXABLE YEARS AFTER IT QUALIFIES FOR THE CREDIT, A PROPERTY TAX CREDIT
32 MAY BE CLAIMED AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY
33 TAXES THAT WOULD OTHERWISE BE DUE.

1 (II) THE COUNTY OR MUNICIPAL CORPORATION SHALL COMPUTE
2 THE AMOUNT OF THE PROPERTY TAX CREDIT GRANTED TO EQUAL 58.5% OF THE
3 AMOUNT OF PROPERTY TAX IMPOSED ON THE INCREASE IN ASSESSMENT OF:

4 1. THE NEW OR EXPANDED PREMISES;

5 2. NEWLY RENOVATED REAL PROPERTY IMPROVEMENTS
6 ADJOINING OR OTHERWISE NEIGHBORING THE NEW OR EXPANDED PREMISES, IF
7 THE RENOVATIONS ARE SUBSTANTIAL, AS DEFINED IN LEGISLATION ENACTED BY
8 THE COUNTY OR MUNICIPAL CORPORATION TO GRANT THE CREDITS UNDER THIS
9 SUBSECTION; AND

10 3. THE PERSONAL PROPERTY LOCATED ON THE PREMISES
11 DESCRIBED IN ITEMS 1 AND 2 OF THIS SUBPARAGRAPH.

12 (III) THE INCREASE IN ASSESSMENT SHALL BE MEASURED FROM
13 THE NOTIFICATION DATE TO THE APPLICABLE ANNUAL ASSESSMENT DATE AFTER
14 THE COUNTY OR MUNICIPAL CORPORATION HAS CERTIFIED THAT THE BUSINESS
15 ENTITY HAS QUALIFIED FOR THE CREDIT.

16 (5) ON RECEIPT OF NOTIFICATION UNDER SUBSECTION (B)(7) OF THIS
17 SECTION THAT A BUSINESS ENTITY HAS BEEN CERTIFIED FOR AN ENHANCED
18 PROPERTY TAX CREDIT UNDER THIS SUBSECTION, THE DEPARTMENT SHALL
19 COMPUTE AND CERTIFY TO THE COMPTROLLER THE AMOUNT OF THE STATE TAX
20 CREDIT AUTHORIZED UNDER THIS SUBSECTION THAT MAY BE CLAIMED BY THE
21 BUSINESS ENTITY OR ANY OF ITS AFFILIATES AGAINST THE INDIVIDUAL OR
22 CORPORATE INCOME TAX, INSURANCE PREMIUMS TAX, FINANCIAL INSTITUTION
23 FRANCHISE TAX, OR PUBLIC SERVICE COMPANY FRANCHISE TAX THAT WOULD
24 OTHERWISE BE DUE TO EQUAL 31.5% OF THE AMOUNT OF PROPERTY TAX IMPOSED
25 ON THE ASSESSMENT OF THE NEW OR EXPANDED PREMISES FOR EACH OF THE
26 FIRST 12 TAXABLE YEARS FOR WHICH THE CREDIT IS ALLOWED.

27 (6) IF A BUSINESS ENTITY OR ANY OF ITS AFFILIATES CLAIM THE
28 ENHANCED TAX CREDITS UNDER THIS SUBSECTION FOR A CERTAIN PREMISES, THEY
29 MAY NOT CLAIM THE TAX CREDITS UNDER SUBSECTION (C) OF THIS SECTION.

30 [(2)] (E) The same State tax credit cannot be applied more than once
31 against different taxes by the same taxpayer.

32 [(3)] (F) If the State tax credit allowed under this [subsection] SECTION
33 in any taxable year exceeds the total tax otherwise payable by the business entity for
34 that taxable year, a business entity OR ITS AFFILIATES may apply the excess as a
35 credit for succeeding taxable years until the earlier of:

36 (i) the full amount of the excess is used; or

37 (ii) the expiration of the 5th taxable year after the taxable year in
38 which the State tax credit is claimed.

1 [(4)] (G) The Maryland Insurance Commissioner shall adopt regulations
2 to provide for the computation, carryover, and recapture of the State tax credit under
3 § 6-116 of the Insurance Article.

4 [(5)] (H) The Department shall adopt regulations to provide for the
5 computation, carryover, and recapture of the State tax credit under §§ 8-217 and
6 8-414 of the Tax - General Article.

7 [(6)] (I) The Comptroller shall adopt regulations to provide for the
8 computation, carryover, and recapture of the State tax credit under § 10-704.8 of the
9 Tax - General Article.

10 [(g)] (J) The lessor of real property eligible for PROPERTY tax credits under
11 [subsection (b) of] this section shall reduce by the amount of the PROPERTY tax
12 credits computed under [subsections (e) and (f) of] this section the amount of taxes
13 for which the eligible business entity is contractually liable under the lease
14 agreement.

15 [(h)] (K) The governing body of the county or municipal corporation shall
16 provide, by law, for:

17 (1) the specific requirements for eligibility for a tax credit authorized
18 under this section;

19 (2) any additional limitations on eligibility for the credit;

20 [(3)] (3) a provision requiring recapture of the property and State tax credits
21 earned, if, during the 3 taxable years succeeding any year in which a credit was
22 earned, the business entity fails to satisfy the applicable thresholds to qualify for a
23 property tax credit required under subsection (c) of this section;

24 [(4)] (3) the information to be supplied by the business entity to a county
25 or municipal corporation and the Comptroller to verify that the business entity is not
26 subject to [item (3) of this] subsection (L) OF THIS SECTION; and

27 [(5)] (4) any other provision appropriate to implement the credit.

28 (L) ALL CREDITS CLAIMED UNDER THIS SECTION FOR A TAXABLE YEAR
29 SHALL BE RECAPTURED IF, DURING THE 3 TAXABLE YEARS SUCCEEDING THE
30 TAXABLE YEAR IN WHICH A CREDIT WAS CLAIMED:

31 (1) THE EMPLOYMENT LEVEL OR SQUARE FOOTAGE OF A BUSINESS
32 ENTITY AT THE PREMISES FALLS BELOW THE APPLICABLE THRESHOLDS REQUIRED
33 TO QUALIFY FOR THE PROPERTY TAX CREDIT UNDER SUBSECTION (C) OF THIS
34 SECTION; OR

35 (2) FOR THE ENHANCED PROPERTY TAX CREDIT, THE EMPLOYMENT
36 LEVEL OR SQUARE FOOTAGE OF A BUSINESS ENTITY, TOGETHER WITH ITS
37 AFFILIATES, AT THE PREMISES FALLS BELOW THE APPLICABLE THRESHOLDS

1 REQUIRED TO QUALIFY FOR THE ENHANCED PROPERTY TAX CREDIT UNDER
2 SUBSECTION (D) OF THIS SECTION.

3 (M) ON OCTOBER 1 OF EACH YEAR, EACH COUNTY AND MUNICIPAL
4 CORPORATION THAT HAS GRANTED TAX CREDITS UNDER THIS SECTION SHALL
5 REPORT TO THE DEPARTMENT, THE DEPARTMENT OF BUSINESS AND ECONOMIC
6 DEVELOPMENT, AND THE COMPTROLLER:

7 (1) THE AMOUNT OF EACH CREDIT GRANTED FOR THAT YEAR; AND

8 (2) WHETHER THE BUSINESS ENTITY IS IN COMPLIANCE WITH THE
9 REQUIREMENTS FOR THE TAX CREDIT.

10 (N) (1) AFTER A BUSINESS ENTITY HAS COMPLIED WITH ALL THE
11 REQUIREMENTS PROVIDED IN THIS SECTION AND IN ANY APPLICABLE LOCAL LAW
12 FOR A PARTICULAR TAX CREDIT, THE BUSINESS ENTITY SHALL BE ENTITLED TO
13 CLAIM THE CREDITS FOR THE TERM PROVIDED IN THIS SECTION.

14 (2) NO ABROGATION OF THIS LAW OR LAW HEREINAFTER ENACTED
15 THAT ELIMINATES OR REDUCES THE TAX CREDITS AVAILABLE UNDER THIS SECTION
16 SHALL APPLY TO ANY BUSINESS ENTITY OR AFFILIATE OF A BUSINESS ENTITY THAT
17 QUALIFIED FOR THE TAX CREDITS BEFORE THE EFFECTIVE DATE OF SUCH LAW OR
18 ABROGATION.

19 **Chapter 623 of the Acts of 1997, as Amended by Chapter 623 of the Acts of**
20 **1998**

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

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
32 effect October 1, 1997. [Subject to the provisions of Section 2 of this Act, this Act shall
33 remain in effect for a period of 5 years and 3 months and, at the end of December 31,
34 2002, with no further action required by the General Assembly, this Act shall be
35 abrogated and of no further force and effect.]

36 **Chapter 624 of the Acts of 1997, as amended by Chapter 623 of the Acts of**
37 **1998**

38 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
39 applicable to all taxable years beginning after December 31, 1996 [but before

1 January 1, 2008; provided, however, that the tax credits under § 9-230 of the Tax -
2 Property Article, as enacted by Section 1 of this Act, shall be allowed for property and
3 business entities that meet the criteria established in § 9-230(c) of the Tax - Property
4 Article on or after October 1, 1997 but before January 1, 2003; and provided further
5 that any excess State tax credits under § 9-230(f)(1) of the Tax - Property Article may
6 be carried forward and, subject to the limitations under § 9-230(f)(3) of the Tax -
7 Property Article, may be applied as a credit for taxable years beginning on or after
8 January 1, 2008].

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
10 effect October 1, 1997. [Subject to the provisions of Section 2 of this Act, this Act shall
11 remain in effect for a period of 5 years and 3 months and, at the end of December 31,
12 2002, with no further action required by the General Assembly, this Act shall be
13 abrogated and of no further force and effect.]

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
15 effect July 1, 1999 and shall be applicable to all taxable years beginning after
16 December 31, 1998 for all employees hired and premises obtained after December 31,
17 1998; provided, however, that if by December 31, 1999, a business entity gives the
18 written notification required under § 9-230(b)(6) of the Tax - Property Article to the
19 appropriate county or municipal corporation, the notification shall be deemed to be
20 timely given with regard to employees hired and premises obtained from December
21 31, 1998 until the notification date.