

HOUSE BILL 144

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Q2

2000 Regular Session  
(01r1199)

**ENROLLED BILL**  
-- Ways and Means/Budget and Taxation --

Introduced by **Delegates Walkup, W. Baker, and Guns**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **~~Kent County~~ Tax Credits - New or Expanded Business Premises**

3 FOR the purpose of altering certain qualifications for certain tax credits *in certain*  
4 *counties in Kent County* by specifying the number of individuals employed by  
5 certain businesses in certain new permanent full-time positions; and generally  
6 relating to a certain tax credit for certain new or expanded business premises *in*  
7 *certain counties in Kent County*.

8 ~~BY repealing and reenacting, without amendments,~~  
9 ~~Article - Tax - Property~~  
10 ~~Section 9-230(b)~~  
11 ~~Annotated Code of Maryland~~  
12 ~~(1994 Replacement Volume and 1999 Supplement)~~

13 BY repealing and reenacting, without amendments,

14 Article - Tax - Property

1 Section 9-230(b)  
 2 Annotated Code of Maryland  
 3 (1994 Replacement Volume and 1999 Supplement)

4 BY repealing and reenacting, with amendments,  
 5 Article - Tax - Property  
 6 Section ~~9-230(e)~~ ~~9-230(b)~~ and ~~(e)~~ 9-230(c)  
 7 Annotated Code of Maryland  
 8 (1994 Replacement Volume and 1999 Supplement)

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 (b) (1) The Mayor and City Council of Baltimore City or the governing body  
 14 of a county or of a municipal corporation may enact legislation necessary to grant  
 15 either property tax credits, enhanced property tax credits, or both types of property  
 16 tax credits against the county or municipal corporation property tax imposed on real  
 17 property owned or leased by business entities that meet the requirements specified  
 18 for the applicable tax credit under this section and on personal property owned by  
 19 business entities that meet the requirements specified under this section.

20 (2) (i) If a property tax credit is granted under paragraph (1) of this  
 21 subsection, a business entity that meets the requirements for the property tax credit  
 22 under this section and obtains certification from the county or municipal corporation  
 23 may claim a State tax credit against the individual or corporate income tax, insurance  
 24 premiums tax, or financial institution franchise tax as provided under subsection  
 25 ~~(e)(3)~~ ~~(C)(2)~~ ~~AND (4)~~ (c)(3) of this section.

26 (ii) If an enhanced property tax credit is granted under this section  
 27 and a business entity and its affiliates meet the requirements for the enhanced  
 28 property tax credit and obtain certification from the county or municipal corporation,  
 29 the business entity or any of its affiliates may claim a State tax credit against the  
 30 individual or corporate income tax, insurance premiums tax, or financial institution  
 31 franchise tax as provided under subsection (d)(4) of this section.

32 (3) A tax credit may not be granted under this section if:

33 (i) the business entity or any of its affiliates have moved their  
 34 operations from one county in the State to the new or expanded premises in another;  
 35 or

36 (ii) the new or expanded premises has otherwise been granted a tax  
 37 credit or exemption under this article for the taxable year.

1 (4) To qualify for a tax credit under this section, the new or expanded  
2 premises must be located in a priority funding area as designated in Title 5, Subtitle  
3 7B of the State Finance and Procurement Article.

4 (5) To qualify for a property tax credit under this section against  
5 property tax imposed on personal property a business entity shall certify that the  
6 personal property is located on the premises that qualify for a property tax credit or  
7 enhanced property tax credit under this section.

8 (6) To qualify for a tax credit under this section, before it obtains the new  
9 or expanded premises or hires employees to fill the new permanent full-time  
10 positions at the new or expanded premises, a business entity shall provide written  
11 notification to the county or municipal corporation in which the new or expanded  
12 premises are located:

13 (i) that it intends to claim the property tax credit or enhanced  
14 property tax credit;

15 (ii) if it intends to claim the enhanced property tax credit, how it  
16 expects to meet the requirements to qualify for the enhanced property tax credit; and

17 (iii) when it expects to obtain the new or expanded premises and  
18 hire the required number of employees in the new permanent full-time positions.

19 (7) If a business entity meets the requirements for a tax credit under this  
20 section, the county or municipal corporation shall certify to the Department and the  
21 Department of Business and Economic Development that the business entity has met  
22 the requirements for the tax credit for the taxable year that follows the date on which  
23 it met the requirements.

24 (c) (1) ~~TO QUALIFY FOR A PROPERTY TAX CREDIT UNDER SUBSECTION (B)(1)~~  
25 ~~OF THIS SECTION, A BUSINESS ENTITY SHALL:~~

26 ~~(I) CONSTRUCT OR EXPAND BY AT LEAST 5,000 SQUARE FEET THE~~  
27 ~~PREMISES ON WHICH IT CONDUCTS ITS BUSINESS, THROUGH PURCHASING OR~~  
28 ~~CONSTRUCTING NEW PREMISES OR BY LEASING NEW PREMISES; AND~~

29 ~~(II) EMPLOY AT LEAST 10 INDIVIDUALS IN NEW PERMANENT~~  
30 ~~FULL TIME POSITIONS IN THE NEW OR EXPANDED PREMISES.~~

31 ~~(2) To qualify for a property tax credit under this subsection~~ STATE TAX  
32 ~~CREDITS UNDER SUBSECTION (B)(2) OF THIS SECTION~~ a property tax credit under this  
33 subsection, a business entity shall:

34 (i) obtain at least 5,000 square feet of new or expanded premises  
35 by purchasing newly constructed premises, constructing new premises, causing new  
36 premises to be constructed, or leasing newly constructed premises; and

37 (ii) 1. EXCEPT AS PROVIDED IN ITEM 2 OF THIS SUBPARAGRAPH,  
38 1. EXCEPT AS PROVIDED IN ITEM 2 OF THIS SUBPARAGRAPH, employ at least 25

1 individuals in new permanent full-time positions during a 24-month period, during  
 2 which period the business entity must also obtain and occupy the new or expanded  
 3 premises; OR

4 2. IN A COUNTY WITH A POPULATION UNDER 30,000, EMPLOY  
 5 AT LEAST 10 INDIVIDUALS IN NEW PERMANENT FULL-TIME POSITIONS DURING A  
 6 24-MONTH PERIOD, DURING WHICH PERIOD THE BUSINESS ENTITY MUST ALSO  
 7 OBTAIN AND OCCUPY THE NEW OR EXPANDED PREMISES; OR.

8 2. IN KENT COUNTY, EMPLOY AT LEAST 10 INDIVIDUALS IN  
 9 NEW PERMANENT FULL-TIME POSITIONS DURING A 24-MONTH PERIOD, DURING  
 10 WHICH PERIOD THE BUSINESS ENTITY MUST ALSO OBTAIN AND OCCUPY THE NEW  
 11 OR EXPANDED PREMISES.

12 ~~(2)~~ ~~(3)~~ (2) If a business entity meets the requirements of paragraph  
 13 (1) of this subsection and subsection (b) of this section and of applicable local law  
 14 adopted under subsection (b)(1) of this section, the county or municipal corporation  
 15 shall compute the amount of the property tax credit granted under this subsection for  
 16 new or expanded premises and the personal property located on those premises that  
 17 may be claimed against the county or municipal corporation property taxes that  
 18 would otherwise be due to equal a percentage of the amount of property tax imposed  
 19 on the assessment of the new or expanded premises, as follows:

- 20 (i) 52% for the 1st and 2nd taxable years;
- 21 (ii) 39% in the 3rd and 4th taxable years;
- 22 (iii) 26% in the 5th and 6th taxable years; and
- 23 (iv) 0% for each taxable year thereafter.

24 ~~(3)~~ ~~(4)~~ (3) On receipt of notification under subsection (b)(7) of this  
 25 section that a business entity has been certified for a property tax credit under this  
 26 subsection ~~AND FOR THE STATE TAX CREDITS UNDER PARAGRAPH (2) OF THIS~~  
 27 ~~SUBSECTION~~, the Department shall compute and certify to the Comptroller or, in the  
 28 case of the insurance premiums tax, the Maryland Insurance Commissioner the  
 29 amount of the State tax credit authorized under this subsection that may be claimed  
 30 against the individual or corporate income tax, insurance premiums tax, or financial  
 31 institution franchise tax that would otherwise be due to equal a percentage of the  
 32 amount of property tax imposed on the assessment of the new or expanded premises,  
 33 as follows:

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 2000.