Unofficial Copy C8 2004 Regular Session 4lr0188

Dry Chairman Ways and Mana Committee (Dry Daguest Departmental

By: Chairman, Ways and Means Committee (By Request - Departmental - Business and Economic Development)

Introduced and read first time: February 12, 2004

Assigned to: Ways and Means

A BILL ENTITLED

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1	/ 11 A	Λ CI	concerning

2 Research and Development Tax Credit

- 3 FOR the purpose of extending a certain termination provision applicable to the
- 4 research and development tax credit allowed against the Maryland income tax;
- 5 extending the applicability of the credit to certain taxable years; and generally
- 6 relating to the research and development tax credit program.
- 7 BY repealing and reenacting, with amendments,
- 8 Chapter 515 of the Acts of the General Assembly of 2000
- 9 Section 2 and 4
- 10 BY repealing and reenacting, with amendments,
- 11 Chapter 516 of the Acts of the General Assembly of 2000
- 12 Section 2 and 4
- 13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 14 MARYLAND, That the Laws of Maryland read as follows:

15 Chapter 515 of the Acts of 2000

16 SECTION 2. AND BE IT FURTHER ENACTED, That:

- 17 (a) Except as otherwise provided in this section, this Act shall be applicable to
- 18 all taxable years beginning after December 31, 1999 but before January 1, [2005]
- 19 2010.
- 20 (b) If a taxpayer's taxable year for income tax purposes is not the calendar
- 21 year:
- 22 (1) for the taxable year that ends in calendar year 2000, the taxpayer
- 23 may apply for a prorated credit for research and development expenses paid or
- 24 incurred in the taxable year for that part of the taxable year that falls in calendar
- 25 year 2000; and

- **HOUSE BILL 987** 1 (2) for the taxable year that begins in calendar year [2004] 2009, the 2 taxpayer may apply for only a prorated credit for research and development expenses 3 paid or incurred in the taxable year for that part of the taxable year that falls in 4 calendar year [2004] 2009. 5 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect 6 July 1, 2000. It shall remain effective for a period of [6] 11 years and, at the end of June 30, [2006] 2011, with no further action required by the General Assembly, this 8 Act shall be abrogated and of no further force and effect. 9 Chapter 516 of the Acts of 2000 10 SECTION 2. AND BE IT FURTHER ENACTED, That: 11 Except as otherwise provided in this section, this Act shall be applicable to 12 all taxable years beginning after December 31, 1999 but before January 1, [2005] 13 2010. 14 If a taxpayer's taxable year for income tax purposes is not the calendar (b) 15 year: 16 for the taxable year that ends in calendar year 2000, the taxpayer 17 may apply for a prorated credit for research and development expenses paid or 18 incurred in the taxable year for that part of the taxable year that falls in calendar 19 year 2000; and 20 for the taxable year that begins in calendar year [2004] 2009, the 21 taxpayer may apply for only a prorated credit for research and development expenses 22 paid or incurred in the taxable year for that part of the taxable year that falls in 23 calendar year [2004] 2009.
- 24 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 25 July 1, 2000. It shall remain effective for a period of [6] 11 years and, at the end of
- 26 June 30, [2006] 2011, with no further action required by the General Assembly, this
- 27 Act shall be abrogated and of no further force and effect.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 28 29 July 1, 2004.