

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 620

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, strike “and venture capital firms”; strike beginning with “allowing” in line 7 down through “year;” in line 13 and substitute “providing for the issuance of certain initial credit certificates by the Department, subject to certain requirements and limitations; providing certain limits on the amount of credits that can be claimed; requiring the Secretary of the Department to issue final credit certificates under certain circumstances; making certain credits refundable under certain circumstances; establishing the Maryland Biotechnology Investment Tax Credit Reserve Fund; authorizing the Governor to include certain appropriations to a certain fund in the annual budget bill; requiring the Comptroller to transfer certain amounts from a certain fund to the General Fund under certain circumstances;”; strike beginning with the second “providing” in line 16 down through “circumstances;” in line 19; and in lines 25 and 26, strike “and venture capital firms”.

On page 2, strike in their entirety lines 1 through 5, inclusive.

AMENDMENT NO. 2

On page 2, in line 13, strike “AND” and substitute “OR”; strike in their entirety lines 25 through 33, inclusive; and in line 34, strike “(7)” and substitute “(5)”.

AMENDMENT NO. 3

On page 3, in lines 5 and 18, strike “(8)” and “(9)”, respectively, and substitute “(6)” and “(7)”, respectively.

AMENDMENT NO. 4

On page 3, in line 7, strike “PRINCIPAL PLACE” and substitute “HEADQUARTERS AND BASE”; in line 8, strike “100” and substitute “50”; in line 9, after “IN” insert “ACTIVE”; in the same line, strike “FOR LESS” and substitute “NO LONGER”; in line 10, strike “1.”; in line 11, strike “DIRECTOR OF THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION”

(Over)

and substitute “DEPARTMENT”; strike beginning with the semicolon in line 11 down through “MONTHS” in line 17; in line 21, strike “AND” and substitute “OR”; in line 23, strike “3” and substitute “5”; in line 26, after “COMPANIES;” insert “AND”; in line 27, strike “; AND” and substitute a period; and strike in their entirety lines 28 through 30, inclusive.

AMENDMENT NO. 5

On page 3, in line 31, strike “(1)”; in the same line, strike “PARAGRAPHS (2) THROUGH (4) OF THIS SUBSECTION” and substitute “SUBSECTIONS (D) AND (E) OF THIS SECTION”; in line 32, strike the first comma and substitute “OR”; strike beginning with “, OR” in line 32 down through “FIRM” in line 33; in line 34, strike “CREDITS” and substitute “A CREDIT”; in the same line, after the first “TAX” insert “IN AN AMOUNT EQUAL TO THE FINAL CREDIT CERTIFICATE APPROVED BY THE SECRETARY”; strike beginning with “OR” in line 34 down through “ARTICLE” in line 35; and in line 35, strike “INVESTMENTS” and substitute “AN INVESTMENT”.

AMENDMENT NO. 6

On page 4, strike in their entirety lines 1 through 19, inclusive.

AMENDMENT NO. 7

On page 4, strike beginning with “INTENDS” in line 22 down through “CREDITS” in line 23 and substitute “WOULD BE ELIGIBLE FOR AN INITIAL TAX CREDIT CERTIFICATE”; strike in their entirety lines 26 through 29, inclusive; in line 30, strike “(3)” and substitute “(2)”; in line 36, strike “(4)” and substitute “(3)”; in the same line, strike “CERTIFIED TAX CREDITS” and substitute “ISSUED AN INITIAL TAX CREDIT CERTIFICATE”; and in line 38, strike “14” and substitute “30”.

On page 5, in line 1, strike “5” and substitute “10”; strike in their entirety lines 4 through 7, inclusive; in line 8, strike “(IV)” and substitute “(III)”; in line 10, strike “20” and substitute “30”; in line 11, strike “CERTIFICATION OF TAX CREDITS” and substitute “ISSUANCE OF AN INITIAL TAX CREDIT CERTIFICATE”; and in line 12, strike “CERTIFICATION” and substitute “CERTIFICATE”.

AMENDMENT NO. 8

On page 5, after line 12, insert:

“(D) (1) THE TAX CREDIT ALLOWED IN AN INITIAL TAX CREDIT CERTIFICATE ISSUED UNDER THIS SECTION IS 50% OF THE INVESTMENT IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY, NOT TO EXCEED:

(I) \$50,000 FOR A QUALIFIED INVESTOR THAT IS AN INDIVIDUAL;

(II) \$250,000 FOR A QUALIFIED INVESTOR THAT IS A CORPORATION; OR

(III) \$250,000 FOR A QUALIFIED MARYLAND VENTURE CAPITAL FIRM.

(2) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE QUALIFIED INVESTOR OR QUALIFIED MARYLAND VENTURE CAPITAL FIRM FOR THAT TAXABLE YEAR, THE QUALIFIED INVESTOR OR QUALIFIED MARYLAND VENTURE CAPITAL FIRM MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

(E) (1) IN THIS SUBSECTION, “RESERVE FUND” MEANS THE MARYLAND BIOTECHNOLOGY INVESTMENT TAX CREDIT RESERVE FUND ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(2) (I) THERE IS A BIOTECHNOLOGY INVESTMENT TAX CREDIT RESERVE FUND WHICH IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(II) THE MONEY IN THE FUND SHALL BE INVESTED AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL BE CREDITED TO THE GENERAL FUND.

(3) (I) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE SECRETARY SHALL ISSUE AN INITIAL TAX CREDIT CERTIFICATE FOR EACH

APPROVED INVESTMENT IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY ELIGIBLE FOR A TAX CREDIT.

(II) AN INITIAL TAX CREDIT CERTIFICATE ISSUED UNDER THIS SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF TAX CREDIT FOR WHICH THE QUALIFIED INVESTOR OR QUALIFIED MARYLAND VENTURE CAPITAL FIRM IS ELIGIBLE.

(III) 1. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBPARAGRAPH, FOR ANY FISCAL YEAR, THE SECRETARY MAY NOT ISSUE INITIAL TAX CREDIT CERTIFICATES FOR CREDIT AMOUNTS IN THE AGGREGATE TOTALING MORE THAN THE AMOUNT APPROPRIATED TO THE RESERVE FUND FOR THAT FISCAL YEAR IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY.

2. IF THE AGGREGATE CREDIT AMOUNTS UNDER INITIAL TAX CREDIT CERTIFICATES ISSUED IN A FISCAL YEAR TOTAL LESS THAN THE AMOUNT APPROPRIATED TO THE RESERVE FUND FOR THAT FISCAL YEAR, ANY EXCESS AMOUNT SHALL REMAIN IN THE RESERVE FUND AND MAY BE ISSUED UNDER INITIAL TAX CREDIT CERTIFICATES FOR THE NEXT FISCAL YEAR.

3. FOR ANY FISCAL YEAR, IF FUNDS ARE TRANSFERRED FROM THE RESERVE FUND UNDER THE AUTHORITY OF ANY PROVISION OF LAW OTHER THAN UNDER PARAGRAPH (4) OF THIS SUBSECTION, THE MAXIMUM CREDIT AMOUNTS IN THE AGGREGATE FOR WHICH THE SECRETARY MAY ISSUE INITIAL TAX CREDIT CERTIFICATES SHALL BE REDUCED BY THE AMOUNT TRANSFERRED.

(IV) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE RESERVE FUND.

(V) NOTWITHSTANDING THE PROVISIONS OF § 7-213 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR MAY NOT REDUCE AN APPROPRIATION TO THE RESERVE FUND IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY.

(VI) BASED ON THE ACTUAL AMOUNT OF AN INVESTMENT

MADE BY A QUALIFIED INVESTOR OR A QUALIFIED MARYLAND VENTURE CAPITAL FIRM, THE SECRETARY SHALL ISSUE A FINAL TAX CREDIT CERTIFICATE TO THE QUALIFIED INVESTOR OR QUALIFIED MARYLAND VENTURE CAPITAL FIRM.

(VII) A QUALIFIED INVESTOR OR A QUALIFIED MARYLAND VENTURE CAPITAL FIRM MAY REDEEM A FINAL TAX CREDIT CERTIFICATE FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2006.

(4) (I) EXCEPT AS PROVIDED IN THIS PARAGRAPH, MONEY APPROPRIATED TO THE RESERVE FUND SHALL REMAIN IN THE FUND.

(II) 1. WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR QUARTER, THE DEPARTMENT SHALL NOTIFY THE COMPTROLLER AS TO EACH FINAL CREDIT CERTIFICATE ISSUED DURING THE QUARTER:

A. THE MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL TAX CREDIT CERTIFICATE FOR THE INVESTMENT; AND

B. THE FINAL CERTIFIED CREDIT AMOUNT FOR THE INVESTMENT.

2. ON NOTIFICATION THAT AN INVESTMENT HAS BEEN CERTIFIED, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL TO THE CREDIT AMOUNT STATED IN THE INITIAL TAX CREDIT CERTIFICATE FOR THE INVESTMENT FROM THE RESERVE FUND TO THE GENERAL FUND.”.

AMENDMENT NO. 9

On pages 5 and 6, strike in their entirety the lines beginning with line 13 on page 5 through line 32 on page 6, inclusive.

AMENDMENT NO. 10

On page 6, in line 33, strike “(J)” and substitute “(F)”.

On page 7, in lines 14 and 33, in each instance, strike “PARTNER IN”; in lines 19 and 35, strike “(K)” and “(L)”, respectively, and substitute “(G)” and “(H)”, respectively; and in lines 27 and 31, in each instance, strike “A PARTNER IN”.

On page 8, in line 22, strike “(M)” and substitute “(I)”.

AMENDMENT NO. 11

On page 7, in line 37, strike “CREDITS” and substitute “INITIAL TAX CREDIT CERTIFICATES”.

On page 8, in line 2, strike “CREDIT” and substitute “INITIAL TAX CREDIT CERTIFICATE”; strike beginning with “AND” in line 4 down through “FIRM” in line 5; in line 6, after “INVESTOR” insert “OR FIRM”; in line 11, strike “DIRECTOR” and substitute “DEPARTMENT”; in line 12, strike “REGARDING THE CREDIT, INCLUDING APPLICATIONS” and substitute “FOR INITIAL TAX CREDIT CERTIFICATES”; in lines 16 and 20, in each instance, strike “CREDITS” and substitute “INITIAL TAX CREDIT CERTIFICATES”; and in lines 18 and 19, strike “WHICH A TAX CREDIT WAS CERTIFIED” and substitute “FOR WHICH INITIAL TAX CREDIT CERTIFICATES WERE ISSUED”.

AMENDMENT NO. 12

On page 8, strike in their entirety lines 24 through 29, inclusive.