

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 664

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Zirkin” and substitute “Zirkin, Boschert, Bozman, C. Davis, Elmore, Goodwin, Healey, Howard, McKee, Myers, and Patterson”; 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 5 through 9, inclusive.

AMENDMENT NO. 2

On page 2, in line 17, strike “AND” and substitute “OR”.

On pages 2 and 3, strike in their entirety the lines beginning with line 29 on page 2 through line 3 on page 3, inclusive.

AMENDMENT NO. 3

On page 3, in lines 4, 9, and 22, strike “(7)”, “(8)”, and “(9)”, respectively, and substitute “(5)”, “(6)”, and “(7)”, respectively.

AMENDMENT NO. 4

(Over)

On page 3, in line 11, strike “PRINCIPAL PLACE” and substitute “HEADQUARTERS AND BASE”; in line 12, strike “100” and substitute “25”; in line 13, after “IN” insert “ACTIVE”; in the same line, strike “FOR LESS” and substitute “NO LONGER”; in the same line, strike “10” and substitute “5”; in line 14, strike “1.”; in line 15, strike “DIRECTOR OF THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION” and substitute “DEPARTMENT”; strike beginning with the semicolon in line 15 down through “MONTHS” in line 21; in line 25, strike “AND” and substitute “OR”; in line 27, strike “3” and substitute “5”; in line 30, after “COMPANIES;” insert “AND”; in line 31, strike “; AND” and substitute a period; and strike in their entirety lines 32 through 34, inclusive.

AMENDMENT NO. 5

On page 4, in line 1, 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 2, strike the first comma and substitute “OR”; strike beginning with “, OR” in line 2 down through “FIRM” in line 3; in line 4, 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 4 down through “ARTICLE” in line 5; and in line 5, strike “INVESTMENTS” and substitute “AN INVESTMENT”.

AMENDMENT NO. 6

On page 4, strike in their entirety lines 7 through 25, inclusive.

AMENDMENT NO. 7

On page 4, strike beginning with “INTENDS” in line 28 down through “CREDITS” in line 29 and substitute “WOULD BE ELIGIBLE FOR AN INITIAL TAX CREDIT CERTIFICATE”; strike in their entirety lines 32 through 35, inclusive; and in line 36, strike “(3)” and substitute “(2)”.

On page 5, in line 4, strike “(4)” and substitute “(3)”; in the same line, strike “CERTIFIED TAX CREDITS” and substitute “ISSUED AN INITIAL TAX CREDIT CERTIFICATE”; in line 6, strike “14” and substitute “30”; in line 8, strike “5” and substitute “10”; strike in their entirety lines 11 through 14, inclusive; in line 15, strike “(IV)” and substitute “(III)”; in line 17, strike “20” and substitute “30”; in line 18, strike “CERTIFICATION OF TAX CREDITS” and substitute “ISSUANCE OF AN INITIAL TAX CREDIT CERTIFICATE”; and in line 19, strike

“CERTIFICATION” and substitute “CERTIFICATE”.

AMENDMENT NO. 8

On pages 5, after line 19, insert:

“(D) (1) (I) 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:

1. \$50,000 FOR A QUALIFIED INVESTOR THAT IS AN INDIVIDUAL;

2. \$250,000 FOR A QUALIFIED INVESTOR THAT IS A CORPORATION; OR

3. \$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

(Over)

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.”;

and strike in their entirety lines 20 through 38, inclusive.

AMENDMENT NO. 9

(Over)

On page 6, strike in their entirety lines 1 through 37, inclusive.

AMENDMENT NO. 10

On page 7, in lines 1 and 25, strike “(J)” and “(K)”, respectively, and substitute “(F)” and “(G)”, respectively; in lines 20 and 39, strike “PARTNER IN”; and in lines 33 and 37, strike “A PARTNER IN”.

On page 8, in lines 1 and 26, strike “(L)” and “(M)”, respectively, and substitute “(H)” and “(I)”, respectively.

AMENDMENT NO. 11

On page 8, in line 3, strike “CREDITS” and substitute “INITIAL TAX CREDIT CERTIFICATES”; in line 6, strike “CREDIT” and substitute “INITIAL TAX CREDIT CERTIFICATE”; strike beginning with “AND” in line 8 down through “FIRM” in line 9; in line 10, after “INVESTOR” insert “OR FIRM”; in line 15, strike “DIRECTOR” and substitute “DEPARTMENT”; in line 16, strike “REGARDING THE CREDIT, INCLUDING APPLICATIONS” and substitute “FOR INITIAL TAX CREDIT CERTIFICATES”; in lines 20 and 24, in each instance, strike “CREDITS” and substitute “INITIAL TAX CREDIT CERTIFICATES”; and in lines 22 and 23, 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 28 through 33, inclusive.