
By: **Delegates Feldman, Hixson, Barkley, Bartlett, Barve, Benson, Bohanan, Bromwell, Bronrott, Burns, Cardin, V. Clagett, Conroy, Cryor, D. Davis, Doory, Dumais, Franchot, Frush, Gaines, Gilleland, Glassman, Goldwater, Gordon, Griffith, Gutierrez, Haddaway, Hammen, Haynes, Heller, Holmes, Hurson, Impallaria, James, Jameson, Kaiser, King, Krebs, Krysiak, Lee, Love, Madaleno, Mandel, Marriott, McHale, McIntosh, Miller, Minnick, Moe, Montgomery, Morhaim, Murray, Parrott, Petzold, Quinter, Ramirez, Ross, Rudolph, Simmons, Smigiel, Stern, Taylor, Trueschler, Vaughn, Walkup, and Zirkin**

Introduced and read first time: February
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Biotechnology Investment Incentive Act**

3 FOR the purpose of providing for credits against certain State taxes for certain
4 investments in certain biotechnology companies and venture capital firms;
5 providing for applications to the Department of Business and Economic
6 Development for approval of the credit and certification by the Department to
7 investors of approved credit amounts; allowing certain investors to allocate
8 approved credits by agreement and limiting the maximum amount of credits
9 that may be allocated to an investor; limiting to a certain amount the total
10 amount of credits that the Department may approve for any calendar year and
11 that the Department may approve in the aggregate; prohibiting the Department
12 from approving credits for aggregate investment in one biotechnology company
13 that would exceed a certain percentage of credits in a calendar year; specifying
14 the year in which certain credits may first be claimed; limiting the maximum
15 amount of credits that may be claimed on certain State income tax returns;
16 providing for certain procedures to claim approved credits; providing that
17 certain unused credits may be carried forward to certain taxable years;
18 requiring certain venture capital firms to perform a certain audit each year and
19 to make payments to the Department under certain circumstances; providing for
20 revocation or recapture of a credit under certain circumstances; requiring the
21 Department to make a certain report by a certain date each year; requiring the
22 Department of Business and Economic Development and the State Comptroller
23 jointly to adopt certain regulations; defining certain terms; providing for the
24 application of this Act; and generally relating to credits against certain State
25 taxes based on certain investments in certain biotechnology companies and
26 venture capital firms.

27 BY adding to

1 Article - Tax - General
2 Section 10-725
3 Annotated Code of Maryland
4 (2004 Replacement Volume)

5 BY adding to
6 Article - Insurance
7 Section 6-121
8 Annotated Code of Maryland
9 (2003 Replacement Volume and 2004 Supplement)

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

12 **Article - Tax - General**

13 10-725.

14 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

16 (2) "BIOTECHNOLOGY COMPANY" MEANS A COMPANY ORGANIZED FOR
17 PROFIT THAT IS PRIMARILY ENGAGED IN THE RESEARCH, DEVELOPMENT, AND
18 COMMERCIALIZATION OF INNOVATIVE AND PROPRIETARY TECHNOLOGY THAT
19 COMPRISES, INTERACTS WITH, OR ANALYZES BIOLOGICAL MATERIAL INCLUDING
20 BIOMOLECULES (DNA, RNA, OR PROTEIN), CELLS, TISSUES, OR ORGANS.

21 (3) "DEPARTMENT" MEANS THE DEPARTMENT OF BUSINESS AND
22 ECONOMIC DEVELOPMENT.

23 (4) (I) "INVESTMENT" MEANS THE CONTRIBUTION OF PROPERTY, AT A
24 RISK OF LOSS, TO A QUALIFIED COMPANY IN EXCHANGE FOR STOCK, A PARTNERSHIP
25 INTEREST, OR OTHER OWNERSHIP INTEREST IN THE QUALIFIED COMPANY.

26 (II) FOR PURPOSES OF THIS SECTION, AN INVESTMENT IS AT RISK
27 OF LOSS WHEN ITS REPAYMENT ENTIRELY DEPENDS UPON THE SUCCESS OF THE
28 BUSINESS OPERATIONS OF THE QUALIFIED COMPANY.

29 (5) "INVESTMENT ROUND" MEANS THE OFFERING OF INVESTMENT IN A
30 BIOTECHNOLOGY COMPANY TO EXTERNAL INVESTORS.

31 (6) "INVESTOR" DOES NOT INCLUDE:

32 (I) AN INDIVIDUAL OR CORPORATION THAT, DIRECTLY OR
33 INDIRECTLY, HOLDS OR CONTROLS AN OWNERSHIP INTEREST OF 10% OR MORE IN A
34 QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY; OR

1 (II) A PERSON RELATED, WITHIN THE MEANING OF § 267(B) OF THE
2 INTERNAL REVENUE CODE, TO AN INDIVIDUAL OR CORPORATION DESCRIBED IN
3 ITEM (I) OF THIS PARAGRAPH.

4 (7) "QUALIFIED INVESTOR" MEANS AN INVESTOR THAT IS:

5 (I) AN INDIVIDUAL THAT INVESTS AT LEAST \$25,000 IN A
6 QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY; OR

7 (II) A CORPORATION THAT INVESTS AT LEAST \$250,000 IN A
8 QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY.

9 (8) "QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY" MEANS A
10 BIOTECHNOLOGY COMPANY THAT:

11 (I) HAS ITS PRINCIPAL PLACE OF OPERATIONS IN THIS STATE;

12 (II) HAS FEWER THAN 100 FULL-TIME EMPLOYEES;

13 (III) HAS BEEN IN BUSINESS FOR LESS THAN 10 YEARS; AND

14 (IV) 1. HAS BEEN CERTIFIED AS A BIOTECHNOLOGY COMPANY
15 BY THE DIRECTOR OF THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION;

16 2. HAS RECEIVED FUNDING IN THE PREVIOUS 24 MONTHS
17 FROM THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, THE
18 MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, MDBIO, INC., OR THE
19 MARYLAND INDUSTRIAL PARTNERSHIPS PROGRAM; OR

20 3. HAS BEEN A TENANT OF A STATE-FUNDED INCUBATOR
21 FACILITY WITHIN THE PREVIOUS 24 MONTHS.

22 (9) "QUALIFIED MARYLAND VENTURE CAPITAL FIRM" MEANS AN ENTITY
23 THAT:

24 (I) IS ORGANIZED FOR THE PURPOSE OF INVESTING FUNDS IN
25 PRIVATELY HELD COMPANIES ENGAGED IN THE RESEARCH, DEVELOPMENT, AND
26 COMMERCIALIZATION OF INNOVATIVE AND PROPRIETARY TECHNOLOGY;

27 (II) HAS AT LEAST TWO PRINCIPALS THAT EACH HAVE AT LEAST 3
28 YEARS OF VENTURE CAPITAL EXPERIENCE;

29 (III) HAS AT LEAST 1 YEAR OF EXPERIENCE INVESTING IN
30 BIOTECHNOLOGY OR BIOPHARMACEUTICAL COMPANIES;

31 (IV) HAS ITS PRINCIPAL PLACE OF OPERATIONS IN THIS STATE; AND

32 (V) HAS AT LEAST ONE PRINCIPAL THAT HAS INVESTED AT LEAST
33 \$5,000,000 IN BIOTECHNOLOGY COMPANIES IN THE STATE AT THE TIME OF
34 APPLICATION FOR THE CREDIT UNDER THIS SECTION.

1 (B) (1) SUBJECT TO PARAGRAPHS (2) THROUGH (4) OF THIS SUBSECTION, A
2 QUALIFIED INVESTOR, A QUALIFIED MARYLAND VENTURE CAPITAL FIRM, OR THE
3 PARTNERS OF A QUALIFIED MARYLAND VENTURE CAPITAL FIRM MAY CLAIM
4 CREDITS AGAINST THE STATE INCOME TAX OR THE PREMIUM TAX IMPOSED UNDER §
5 6-102 OF THE INSURANCE ARTICLE FOR INVESTMENTS IN A QUALIFIED MARYLAND
6 BIOTECHNOLOGY COMPANY AS PROVIDED UNDER THIS SECTION.

7 (2) A QUALIFIED INVESTOR MAY CLAIM CREDITS AGAINST THE STATE
8 INCOME TAX OR THE PREMIUM TAX IMPOSED UNDER § 6-102 OF THE INSURANCE
9 ARTICLE IN AN AMOUNT EQUAL TO 50% OF THE INVESTMENT MADE IN A QUALIFIED
10 MARYLAND BIOTECHNOLOGY COMPANY.

11 (3) (I) IF A QUALIFIED MARYLAND VENTURE CAPITAL FIRM INVESTS
12 AT LEAST ONE-THIRD OF THE TOTAL INVESTMENT MADE IN A INVESTMENT ROUND
13 IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY, EACH INVESTOR IN THE
14 INVESTMENT ROUND MAY CLAIM CREDITS AGAINST THE STATE INCOME TAX OR THE
15 PREMIUM TAX IMPOSED UNDER § 6-102 OF THE INSURANCE ARTICLE FOR
16 INVESTMENTS IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY AS
17 PROVIDED UNDER THIS SECTION.

18 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
19 PARAGRAPH, THE INVESTORS IN AN INVESTMENT ROUND UNDER SUBPARAGRAPH (I)
20 OF THIS PARAGRAPH MAY BY AGREEMENT ALLOCATE AMONG THE INVESTORS THE
21 TOTAL CREDITS EARNED BY ALL INVESTORS.

22 (III) AN INVESTOR MAY NOT BE ALLOCATED AN AMOUNT OF
23 CREDITS THAT EXCEEDS TWICE THE AMOUNT INVESTED IN THE ROUND.

24 (4) THE SAME TAX CREDIT MAY NOT BE APPLIED MORE THAN ONCE
25 AGAINST DIFFERENT STATE TAXES.

26 (C) (1) AT LEAST 30 DAYS PRIOR TO MAKING AN INVESTMENT IN A
27 QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY FOR WHICH A QUALIFIED
28 INVESTOR OR QUALIFIED MARYLAND VENTURE CAPITAL FIRM INTENDS TO CLAIM
29 CREDITS UNDER SUBSECTION (B) OF THIS SECTION, THE QUALIFIED INVESTOR OR
30 QUALIFIED MARYLAND VENTURE CAPITAL FIRM SHALL SUBMIT AN APPLICATION TO
31 THE DEPARTMENT.

32 (2) IF AN INVESTMENT ROUND IS LED BY A QUALIFIED MARYLAND
33 VENTURE CAPITAL FIRM AS PROVIDED IN SUBSECTION (B)(3) OF THIS SECTION, THE
34 APPLICATION SHALL INCLUDE THE PROPOSED ALLOCATION OF THE CREDITS
35 AMONG THE INVESTORS IN THE INVESTMENT ROUND.

36 (3) THE DEPARTMENT SHALL:

37 (I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR CREDITS
38 UNDER THIS SECTION ON A FIRST COME FIRST SERVED BASIS; AND

1 (II) WITHIN 30 DAYS OF RECEIPT OF AN APPLICATION, CERTIFY THE
2 AMOUNT OF ANY APPROVED TAX CREDITS TO A QUALIFIED INVESTOR OR QUALIFIED
3 MARYLAND VENTURE CAPITAL FIRM.

4 (4) (I) AFTER THE DEPARTMENT HAS CERTIFIED TAX CREDITS UNDER
5 THIS SECTION, A QUALIFIED INVESTOR OR QUALIFIED MARYLAND VENTURE
6 CAPITAL FIRM SHALL HAVE 14 DAYS TO MAKE AN INVESTMENT IN A QUALIFIED
7 MARYLAND BIOTECHNOLOGY COMPANY UNDER THIS SECTION.

8 (II) WITHIN 5 DAYS OF MAKING AN INVESTMENT IN A QUALIFIED
9 MARYLAND BIOTECHNOLOGY COMPANY, A QUALIFIED INVESTOR OR QUALIFIED
10 MARYLAND VENTURE CAPITAL FIRM SHALL PROVIDE NOTICE TO THE DEPARTMENT.

11 (III) THE NOTICE TO THE DEPARTMENT SHALL INCLUDE THE
12 PROPOSED ALLOCATION OF CREDITS AMONG INVESTORS IN AN INVESTMENT ROUND
13 LED BY A QUALIFIED MARYLAND VENTURE CAPITAL FIRM AS PROVIDED IN
14 SUBSECTION (B)(3) OF THIS SECTION.

15 (IV) IF A QUALIFIED INVESTOR OR QUALIFIED MARYLAND
16 VENTURE CAPITAL FIRM DOES NOT PROVIDE THE NOTICE REQUIRED IN
17 SUBPARAGRAPH (II) OF THIS PARAGRAPH WITHIN 20 DAYS AFTER THE
18 CERTIFICATION OF TAX CREDITS UNDER THIS SECTION, THE DEPARTMENT SHALL
19 RESCIND THE CERTIFICATION.

20 (D) (1) (I) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE
21 DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED
22 \$12,000,000 FOR ANY CALENDAR YEAR.

23 (II) THE DEPARTMENT MAY NOT APPROVE CREDITS UNDER THIS
24 SECTION FOR AGGREGATE INVESTMENTS IN ONE QUALIFIED MARYLAND
25 BIOTECHNOLOGY COMPANY THAT WOULD REPRESENT MORE THAN 10% OF THE
26 TOTAL CREDITS APPROVED BY THE DEPARTMENT IN A CALENDAR YEAR.

27 (2) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT
28 UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED:

29 (I) \$18,000,000 FOR ALL INVESTMENTS MADE BY QUALIFIED
30 INVESTORS; AND

31 (II) \$42,000,000 FOR ALL INVESTMENTS MADE IN INVESTMENT
32 ROUNDS LED BY QUALIFIED MARYLAND VENTURE CAPITAL FIRMS.

33 (3) ONCE THE TOTAL AMOUNT OF CREDITS APPLIED FOR UNDER
34 SUBSECTION (B) OF THIS SECTION EXCEEDS THE AMOUNTS SPECIFIED UNDER
35 PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT MAY NOT APPROVE ANY
36 ADDITIONAL CREDITS UNDER THIS SECTION.

37 (E) A TAX CREDIT UNDER THIS SECTION MAY BE CLAIMED IN THE THIRD
38 TAXABLE YEAR AFTER THE TAXABLE YEAR IN WHICH THE INVESTMENT WAS MADE.

1 (F) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS SECTION, THE
2 TOTAL AMOUNT OF CREDITS THAT MAY BE CLAIMED BY ANY INDIVIDUAL OR
3 CORPORATION FOR ANY TAXABLE YEAR MAY NOT EXCEED:

4 (1) \$200,000 ON A STATE INDIVIDUAL INCOME TAX RETURN; OR

5 (2) \$500,000 ON A STATE CORPORATE INCOME TAX RETURN.

6 (G) TO CLAIM THE APPROVED CREDIT ALLOWED UNDER THIS SECTION, A
7 QUALIFIED INVESTOR OR PARTNER IN A QUALIFIED MARYLAND VENTURE CAPITAL
8 FIRM SHALL:

9 (1) FILE AN AMENDED STATE INCOME TAX RETURN FOR THE TAXABLE
10 YEAR IN WHICH THE INVESTMENT WAS MADE; AND

11 (2) ATTACH A COPY OF THE DEPARTMENT'S CERTIFICATION OF THE
12 APPROVED CREDIT AMOUNT TO THE AMENDED STATE INCOME TAX RETURN.

13 (H) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR
14 EXCEEDS THE STATE TAX LIABILITY FOR THAT TAXABLE YEAR, A QUALIFIED
15 INVESTOR OR A PARTNER IN A QUALIFIED MARYLAND VENTURE CAPITAL FIRM MAY
16 APPLY THE EXCESS AS A CREDIT AGAINST THE STATE TAX LIABILITY FOR
17 SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

18 (1) THE FULL AMOUNT OF THE EXCESS IS USED; OR

19 (2) THE EXPIRATION OF THE FIFTH TAXABLE YEAR AFTER THE
20 TAXABLE YEAR IN WHICH THE INVESTMENT WAS MADE.

21 (I) (1) (I) ON OR BEFORE APRIL 30TH OF EACH YEAR, A QUALIFIED
22 MARYLAND VENTURE CAPITAL FIRM SHALL:

23 1. HAVE AN AUDIT PERFORMED ON ITS FINANCIAL
24 STATEMENTS FOR THE PRECEDING CALENDAR YEAR BY A FIRM OF CERTIFIED
25 PUBLIC ACCOUNTANTS LICENSED TO PRACTICE IN THE STATE; AND

26 2. PROVIDE A COPY OF THE AUDIT TO THE DEPARTMENT.

27 (II) THE AUDIT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS
28 PARAGRAPH SHALL INCLUDE A DETERMINATION OF WHETHER PROFITS PRODUCING
29 AN INTERNAL RATE OF RETURN OF 10% HAVE BEEN EARNED ON INVESTMENTS
30 MADE BY THE QUALIFIED MARYLAND VENTURE CAPITAL FIRM THAT THE QUALIFIED
31 MARYLAND VENTURE CAPITAL FIRM CLAIMED CREDITS UNDER THIS SECTION.

32 (2) WITHIN 60 DAYS FOLLOWING THE ISSUANCE OF THE AUDIT REPORT
33 REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, A QUALIFIED MARYLAND
34 VENTURE CAPITAL FIRM SHALL PAY TO THE DEPARTMENT AN AMOUNT EQUAL TO
35 25% OF ALL PROFITS DETERMINED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION
36 TO BE IN EXCESS OF THE AMOUNT REQUIRED TO PRODUCE AN ANNUAL INTERNAL
37 RATE OF RETURN OF 10%.

1 (J) (1) THE CREDIT CLAIMED UNDER THIS SECTION SHALL BE RECAPTURED
2 AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION IF, WITHIN 2 YEARS FROM THE
3 CLOSE OF THE TAXABLE YEAR IN WHICH THE CREDIT IS APPROVED, THE QUALIFIED
4 INVESTOR SELLS, TRANSFERS, OR OTHERWISE DISPOSES OF THE OWNERSHIP
5 INTEREST IN THE QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY THAT GAVE
6 RISE TO THE CREDIT.

7 (2) THE AMOUNT REQUIRED TO BE RECAPTURED UNDER THIS
8 SUBSECTION IS THE PRODUCT OF MULTIPLYING:

9 (I) THE PORTION OF THE CREDIT ATTRIBUTABLE TO THE
10 OWNERSHIP INTEREST DISPOSED OF AS DESCRIBED IN PARAGRAPH (1) OF THIS
11 SUBSECTION; AND

12 (II) 1. 100%, IF THE DISPOSITION OCCURS DURING THE TAXABLE
13 YEAR IN WHICH THE TAX CREDIT IS APPROVED;

14 2. 67%, IF THE DISPOSITION OCCURS DURING THE FIRST
15 YEAR AFTER THE CLOSE OF THE TAXABLE YEAR FOR WHICH THE TAX CREDIT IS
16 APPROVED; OR

17 3. 33%, IF THE DISPOSITION OCCURS MORE THAN 1 YEAR
18 BUT NOT MORE THAN 2 YEARS AFTER THE CLOSE OF THE TAXABLE YEAR FOR WHICH
19 THE TAX CREDIT IS APPROVED.

20 (3) THE QUALIFIED INVESTOR OR PARTNER IN A QUALIFIED MARYLAND
21 VENTURE CAPITAL FIRM THAT CLAIMED THE CREDIT SHALL PAY THE AMOUNT TO BE
22 RECAPTURED AS DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION AS
23 TAXES PAYABLE TO THE STATE FOR THE TAXABLE YEAR IN WHICH THE DISPOSITION
24 DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION OCCURS.

25 (K) (1) THE DEPARTMENT MAY REVOKE ITS CERTIFICATION OF AN
26 APPROVED CREDIT UNDER THIS SECTION IF ANY REPRESENTATION IN CONNECTION
27 WITH THE APPLICATION FOR THE CERTIFICATION PROVES TO HAVE BEEN FALSE
28 WHEN MADE.

29 (2) THE REVOCATION MAY BE IN FULL OR IN PART AS THE DEPARTMENT
30 MAY DETERMINE AND, SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, SHALL BE
31 COMMUNICATED TO THE QUALIFIED INVESTOR, THE QUALIFIED MARYLAND
32 VENTURE CAPITAL FIRM, AND THE COMPTROLLER.

33 (3) THE QUALIFIED INVESTOR OR A PARTNER IN A QUALIFIED
34 MARYLAND VENTURE CAPITAL FIRM SHALL HAVE AN OPPORTUNITY TO APPEAL ANY
35 REVOCATION TO THE DEPARTMENT PRIOR TO NOTIFICATION OF THE COMPTROLLER.

36 (4) THE COMPTROLLER MAY MAKE AN ASSESSMENT AGAINST THE
37 QUALIFIED INVESTOR OR A PARTNER IN A QUALIFIED MARYLAND VENTURE CAPITAL
38 FIRM TO RECAPTURE ANY AMOUNT OF TAX CREDIT THAT THE QUALIFIED INVESTOR
39 OR PARTNER IN A QUALIFIED MARYLAND VENTURE CAPITAL FIRM HAS ALREADY
40 CLAIMED.

1 (L) (1) ON OR BEFORE JANUARY 10 OF EACH YEAR, THE DEPARTMENT
2 SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE
3 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON THE CREDITS AWARDED
4 UNDER THIS SECTION FOR THE PRIOR CALENDAR YEAR.

5 (2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
6 SUBSECTION SHALL INCLUDE FOR EACH CREDIT AWARDED:

7 (I) THE NAME OF THE QUALIFIED INVESTOR OR THE NAME OF THE
8 QUALIFIED MARYLAND VENTURE CAPITAL FIRM AND THE PARTNERS IN THE
9 QUALIFIED MARYLAND VENTURE CAPITAL FIRM AND THE AMOUNT OF CREDIT
10 AWARDED OR ALLOCATED TO EACH INVESTOR;

11 (II) THE NAME AND ADDRESS OF THE QUALIFIED MARYLAND
12 BIOTECHNOLOGY COMPANY THAT RECEIVED THE INVESTMENT GIVING RISE TO THE
13 CREDIT UNDER THIS SECTION AND THE COUNTY WHERE THE QUALIFIED MARYLAND
14 BIOTECHNOLOGY COMPANY IS LOCATED; AND

15 (III) THE DATES OF RECEIPT AND APPROVAL BY THE DIRECTOR OF
16 ALL APPLICATIONS REGARDING THE CREDIT, INCLUDING APPLICATIONS.

17 (3) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
18 SUBSECTION SHALL SUMMARIZE FOR THE CATEGORY OF QUALIFIED INVESTORS
19 AND QUALIFIED MARYLAND VENTURE CAPITAL FIRMS:

20 (I) THE TOTAL NUMBER OF APPLICANTS FOR CREDITS UNDER
21 THIS SECTION IN EACH CALENDAR YEAR;

22 (II) THE NUMBER OF APPLICATIONS WHICH A TAX CREDIT WAS
23 CERTIFIED IN EACH CALENDAR YEAR; AND

24 (III) THE TOTAL CREDITS AUTHORIZED UNDER THIS SECTION FOR
25 ALL CALENDAR YEARS UNDER THIS SECTION.

26 (M) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ADOPT
27 REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

28 **Article - Insurance**

29 6-121.

30 AN INSURER MAY CLAIM A CREDIT AGAINST THE PREMIUM TAX FOR
31 INVESTMENTS IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY OR
32 QUALIFIED MARYLAND VENTURE CAPITAL FIRM AS PROVIDED UNDER § 10-725 OF
33 THE TAX - GENERAL ARTICLE.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 July 1, 2005, and shall be applicable to all taxable years beginning after December 31,
36 2004.