
By: **Senators Forehand, Britt, Currie, Della, Frosh, Garagiola, Giannetti,
Hogan, Hollinger, Jones, Klausmeier, Kramer, Lawlah, McFadden,
Munson, Ruben, and Teitelbaum**

Introduced and read first time: February 4, 2005

Assigned to: Budget and Taxation

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
28 Article - Tax - General
29 Section 10-725
30 Annotated Code of Maryland
31 (2004 Replacement Volume)

1 BY adding to
2 Article - Insurance
3 Section 6-121
4 Annotated Code of Maryland
5 (2003 Replacement Volume and 2004 Supplement)

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

8 **Article - Tax - General**

9 10-725.

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

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

17 (3) "DEPARTMENT" MEANS THE DEPARTMENT OF BUSINESS AND
18 ECONOMIC DEVELOPMENT.

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

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

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

27 (6) "INVESTOR" DOES NOT INCLUDE:

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

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

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

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

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

5 (8) "QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY" MEANS A
6 BIOTECHNOLOGY COMPANY THAT:

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

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

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

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

12 2. HAS RECEIVED FUNDING IN THE PREVIOUS 24 MONTHS
13 FROM THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, THE
14 MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, MDBIO, INC., OR THE
15 MARYLAND INDUSTRIAL PARTNERSHIPS PROGRAM; OR

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

18 (9) "QUALIFIED MARYLAND VENTURE CAPITAL FIRM" MEANS AN ENTITY
19 THAT:

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

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

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

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

28 (V) HAS AT LEAST ONE PRINCIPAL THAT HAS INVESTED AT LEAST
29 \$5,000,000 IN BIOTECHNOLOGY COMPANIES IN THE STATE AT THE TIME OF
30 APPLICATION FOR THE CREDIT UNDER THIS SECTION.

31 (B) (1) SUBJECT TO PARAGRAPHS (2) THROUGH (4) OF THIS SUBSECTION, A
32 QUALIFIED INVESTOR, A QUALIFIED MARYLAND VENTURE CAPITAL FIRM, OR THE
33 PARTNERS OF A QUALIFIED MARYLAND VENTURE CAPITAL FIRM MAY CLAIM
34 CREDITS AGAINST THE STATE INCOME TAX OR THE PREMIUM TAX IMPOSED UNDER §
35 6-102 OF THE INSURANCE ARTICLE FOR INVESTMENTS IN A QUALIFIED MARYLAND
36 BIOTECHNOLOGY COMPANY AS PROVIDED UNDER THIS SECTION.

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

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

12 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
13 PARAGRAPH, THE INVESTORS IN AN INVESTMENT ROUND UNDER SUBPARAGRAPH (I)
14 OF THIS PARAGRAPH MAY BY AGREEMENT ALLOCATE AMONG THE INVESTORS THE
15 TOTAL CREDITS EARNED BY ALL INVESTORS.

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

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

20 (C) (1) AT LEAST 30 DAYS PRIOR TO MAKING AN INVESTMENT IN A
21 QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY FOR WHICH A QUALIFIED
22 INVESTOR OR QUALIFIED MARYLAND VENTURE CAPITAL FIRM INTENDS TO CLAIM
23 CREDITS UNDER SUBSECTION (B) OF THIS SECTION, THE QUALIFIED INVESTOR OR
24 QUALIFIED MARYLAND VENTURE CAPITAL FIRM SHALL SUBMIT AN APPLICATION TO
25 THE DEPARTMENT.

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

30 (3) THE DEPARTMENT SHALL:

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

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

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

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

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

8 (IV) IF A QUALIFIED INVESTOR OR QUALIFIED MARYLAND
9 VENTURE CAPITAL FIRM DOES NOT PROVIDE THE NOTICE REQUIRED IN
10 SUBPARAGRAPH (II) OF THIS PARAGRAPH WITHIN 20 DAYS AFTER THE
11 CERTIFICATION OF TAX CREDITS UNDER THIS SECTION, THE DEPARTMENT SHALL
12 RESCIND THE CERTIFICATION.

13 (D) (1) (I) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE
14 DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED
15 \$12,000,000 FOR ANY CALENDAR YEAR.

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

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

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

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

26 (3) ONCE THE TOTAL AMOUNT OF CREDITS APPLIED FOR UNDER
27 SUBSECTION (B) OF THIS SECTION EXCEEDS THE AMOUNTS SPECIFIED UNDER
28 PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT MAY NOT APPROVE ANY
29 ADDITIONAL CREDITS UNDER THIS SECTION.

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

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

35 (1) \$200,000 ON A STATE INDIVIDUAL INCOME TAX RETURN; OR

36 (2) \$500,000 ON A STATE CORPORATE INCOME TAX RETURN.

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

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

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

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

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

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

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

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

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

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

27 (2) WITHIN 60 DAYS FOLLOWING THE ISSUANCE OF THE AUDIT REPORT
28 REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, A QUALIFIED MARYLAND
29 VENTURE CAPITAL FIRM SHALL PAY TO THE DEPARTMENT AN AMOUNT EQUAL TO
30 25% OF ALL PROFITS DETERMINED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION
31 TO BE IN EXCESS OF THE AMOUNT REQUIRED TO PRODUCE AN ANNUAL INTERNAL
32 RATE OF RETURN OF 10%.

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

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

3 (I) THE PORTION OF THE CREDIT ATTRIBUTABLE TO THE
4 OWNERSHIP INTEREST DISPOSED OF AS DESCRIBED IN PARAGRAPH (1) OF THIS
5 SUBSECTION; AND

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

8 2. 67%, IF THE DISPOSITION OCCURS DURING THE FIRST
9 YEAR AFTER THE CLOSE OF THE TAXABLE YEAR FOR WHICH THE TAX CREDIT IS
10 APPROVED; OR

11 3. 33%, IF THE DISPOSITION OCCURS MORE THAN 1 YEAR
12 BUT NOT MORE THAN 2 YEARS AFTER THE CLOSE OF THE TAXABLE YEAR FOR WHICH
13 THE TAX CREDIT IS APPROVED.

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

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

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

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

30 (4) THE COMPTROLLER MAY MAKE AN ASSESSMENT AGAINST THE
31 QUALIFIED INVESTOR OR A PARTNER IN A QUALIFIED MARYLAND VENTURE CAPITAL
32 FIRM TO RECAPTURE ANY AMOUNT OF TAX CREDIT THAT THE QUALIFIED INVESTOR
33 OR PARTNER IN A QUALIFIED MARYLAND VENTURE CAPITAL FIRM HAS ALREADY
34 CLAIMED.

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

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

3 (I) THE NAME OF THE QUALIFIED INVESTOR OR THE NAME OF THE
4 QUALIFIED MARYLAND VENTURE CAPITAL FIRM AND THE PARTNERS IN THE
5 QUALIFIED MARYLAND VENTURE CAPITAL FIRM AND THE AMOUNT OF CREDIT
6 AWARDED OR ALLOCATED TO EACH INVESTOR;

7 (II) THE NAME AND ADDRESS OF THE QUALIFIED MARYLAND
8 BIOTECHNOLOGY COMPANY THAT RECEIVED THE INVESTMENT GIVING RISE TO THE
9 CREDIT UNDER THIS SECTION AND THE COUNTY WHERE THE QUALIFIED MARYLAND
10 BIOTECHNOLOGY COMPANY IS LOCATED; AND

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

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

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

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

20 (III) THE TOTAL CREDITS AUTHORIZED UNDER THIS SECTION FOR
21 ALL CALENDAR YEARS UNDER THIS SECTION.

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

24 **Article - Insurance**

25 6-121.

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

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 July 1, 2005, and shall be applicable to all taxable years beginning after December 31,
32 2004.