

SENATE BILL 788

Q8, L2

9lr3092
CF HB 614

By: **Senator Madaleno**

Introduced and read first time: February 6, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Enterprise Zones – County Tax Credits**

3 FOR the purpose of authorizing a county to allow, by law, a business entity that is not
4 eligible for a certain tax credit to claim a credit against county taxes for certain
5 improvements to properties located in an enterprise zone; requiring the
6 governing body of a county to provide for calculation of the amount of the credit
7 and to specify which county tax or taxes the credit applies to, the improvements
8 eligible for the credit, the qualifications for eligibility, the conditions of
9 certification, and the process for application for the credit; authorizing the
10 county to impose limits on the amount of credits issued for any taxable year;
11 authorizing the county to make the credit refundable; authorizing the county to
12 provide for the recapture of the credit; and generally relating to the authority of
13 a county to authorize a credit against county taxes for improvements to
14 property located in an enterprise zone.

15 BY adding to
16 Article – Economic Development
17 Section 5–710
18 Annotated Code of Maryland
19 (2008 Volume)

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

22 **Article – Economic Development**

23 **5–710.**

24 (A) IN THIS SECTION, “ELIGIBLE BUSINESS ENTITY” MEANS A PERSON
25 WHO OPERATES OR CONDUCTS A TRADE OR BUSINESS AND IS NOT ELIGIBLE FOR
26 THE PROPERTY TAX CREDIT UNDER § 9–103 OF THE TAX – PROPERTY ARTICLE.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) THE GOVERNING BODY OF A COUNTY MAY, BY LAW, ALLOW AN**
2 **ELIGIBLE BUSINESS ENTITY TO CLAIM A CREDIT AGAINST A COUNTY TAX FOR**
3 **IMPROVEMENTS TO PROPERTY LOCATED IN AN ENTERPRISE ZONE.**

4 **(C) (1) A LAW THAT AUTHORIZES A CREDIT UNDER THIS SECTION**
5 **SHALL:**

6 **(I) SPECIFY WHICH COUNTY TAX OR TAXES THE CREDIT**
7 **APPLIES TO;**

8 **(II) DEFINE THE IMPROVEMENTS ELIGIBLE FOR THE TAX**
9 **CREDIT;**

10 **(III) SPECIFY THE QUALIFICATIONS FOR ELIGIBILITY,**
11 **CONDITIONS OF CERTIFICATION, AND PROCESS FOR APPLICATION FOR THE TAX**
12 **CREDIT; AND**

13 **(IV) PROVIDE FOR CALCULATION OF THE AMOUNT OF THE**
14 **TAX CREDIT.**

15 **(2) A LAW THAT AUTHORIZES A CREDIT UNDER THIS SECTION**
16 **MAY:**

17 **(I) LIMIT THE TOTAL AMOUNT OF TAX CREDITS THAT MAY**
18 **BE AUTHORIZED IN A YEAR;**

19 **(II) ALLOW A REFUND OF THE TAX CREDIT IF THE CREDIT**
20 **OTHERWISE EXCEEDS THE TOTAL TAX PAYABLE; AND**

21 **(III) PROVIDE FOR THE RECAPTURE OF THE CREDIT.**

22 **(D) THE GOVERNING BODY OF A COUNTY MAY IMPOSE ANY ADDITIONAL**
23 **LIMITATIONS NECESSARY TO ADMINISTER THE TAX CREDIT.**

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 2009.