

SENATE BILL 64

C8

0lr0051

(PRE-FILED)

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Business and Economic Development)**

Requested: September 24, 2009

Introduced and read first time: January 13, 2010

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Research and Development Tax Credit – Sunset Extension**

3 FOR the purpose of extending the termination date applicable to the Maryland
4 Research and Development Tax Credit; extending the applicability of the credit
5 to certain taxable years; and generally relating to the Maryland Research and
6 Development Tax Credit.

7 BY repealing and reenacting, with amendments,
8 Chapter 515 of the Acts of the General Assembly of 2000, as amended by
9 Chapter 98 of the Acts of the General Assembly of 2005
10 Section 2 and 4

11 BY repealing and reenacting, with amendments,
12 Chapter 516 of the Acts of the General Assembly of 2000, as amended by
13 Chapter 98 of the Acts of the General Assembly of 2005
14 Section 2 and 4

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

17 **Chapter 515 of the Acts of 2000, as amended by Chapter 98 of the Acts of 2005**

18 SECTION 2. AND BE IT FURTHER ENACTED, That:

19 (a) Except as otherwise provided in this section, this Act shall be applicable
20 to all taxable years beginning after December 31, 1999 but before January 1, [2011]
21 **2020.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) If a taxpayer's taxable year for income tax purposes is not the calendar
2 year:

3 (1) for the taxable year that ends in calendar year 2000, the taxpayer
4 may apply for a prorated credit for research and development expenses paid or
5 incurred in the taxable year for that part of the taxable year that falls in calendar year
6 2000; and

7 (2) for the taxable year that begins in calendar year [2010] **2019**, the
8 taxpayer may apply for only a prorated credit for research and development expenses
9 paid or incurred in the taxable year for that part of the taxable year that falls in
10 calendar year [2010] **2019**.

11 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 2000. It shall remain effective for a period of [12] **21** years and, at the end of
13 June 30, [2012] **2021**, with no further action required by the General Assembly, this
14 Act shall be abrogated and of no further force and effect.

15 **Chapter 516 of the Acts of 2000, as amended by Chapter 98 of the Acts of 2005**

16 SECTION 2. AND BE IT FURTHER ENACTED, That:

17 (a) Except as otherwise provided in this section, this Act shall be applicable
18 to all taxable years beginning after December 31, 1999 but before January 1, [2011]
19 **2020**.

20 (b) If a taxpayer's taxable year for income tax purposes is not the calendar
21 year:

22 (1) for the taxable year that ends in calendar year 2000, the taxpayer
23 may apply for a prorated credit for research and development expenses paid or
24 incurred in the taxable year for that part of the taxable year that falls in calendar year
25 2000; and

26 (2) for the taxable year that begins in calendar year [2010] **2019**, the
27 taxpayer may apply for only a prorated credit for research and development expenses
28 paid or incurred in the taxable year for that part of the taxable year that falls in
29 calendar year [2010] **2019**.

30 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 July 1, 2000. It shall remain effective for a period of [12] **21** years and, at the end of
32 June 30, [2012] **2021**, with no further action required by the General Assembly, this
33 Act shall be abrogated and of no further force and effect.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 July 1, 2010.