

Chapter 128

(House Bill 592)

AN ACT concerning

Tax Credit for Businesses That Create New Jobs – Enhanced Credit – Extension

FOR the purpose of extending the duration of certain property tax and State tax credits granted to certain business entities that construct or expand certain business premises under certain circumstances; declaring the intent of the General Assembly; providing for the application of this Act; and generally relating to property and State tax credits granted to certain business entities.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–230(d)

Annotated Code of Maryland

(2007 Replacement Volume and 2011 Supplement)

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

Article – Tax – Property

9–230.

(d) (1) For a business entity to qualify for an enhanced property tax credit under this subsection, the business entity, along with its affiliates, shall:

(i) 1. obtain at least 250,000 square feet of new or expanded premises by purchasing newly constructed premises, constructing new premises, causing new premises to be constructed, or leasing newly constructed premises;

2. continue to employ at least 2,500 individuals in existing permanent full–time positions paying at least 150% of the federal minimum wage and located at premises in the State where the business entity, along with its affiliates, is primarily engaged in one or more of the industries listed in paragraph (2) of this subsection; and

3. employ at least 500 individuals in new permanent full–time positions paying at least 150% of the federal minimum wage and located in the new or expanded premises, and, if applicable, in newly renovated premises adjoining or otherwise neighboring the new or expanded premises;

(ii) 1. obtain at least 250,000 square feet of new or expanded premises by purchasing newly constructed premises, constructing new premises, causing new premises to be constructed, or leasing newly constructed premises; and

2. employ at least 1,250 individuals in new permanent full-time positions paying at least 150% of the federal minimum wage and located in the new or expanded premises and, if applicable, in newly renovated premises adjoining or otherwise neighboring the new or expanded premises; or

(iii) in Montgomery County only:

1. expend at least \$150 million to obtain at least 700,000 square feet of new or expanded premises by purchasing newly constructed premises, constructing new premises, causing new premises to be constructed, or leasing newly constructed premises; and

2. employ a total of at least 1,100 individuals in full-time positions consisting of both full-time positions of indefinite duration and contract positions of definite duration lasting at least 12 months with an unlimited renewal option, and including at least 500 individuals in new permanent full-time positions, with all positions:

A. receiving an employer provided subsidized health care benefits package;

B. paying at least 150% of the federal minimum wage;

and

C. located in the new or expanded premises and, if applicable, in newly renovated premises adjoining or otherwise neighboring the new or expanded premises.

(2) For a business entity to qualify for an enhanced property tax credit under this subsection, the business entity, along with its affiliates, shall be primarily engaged in one or more of the following at the qualifying premises:

(i) manufacturing or mining;

(ii) transportation or communications;

(iii) agriculture, forestry, or fishing;

(iv) research, development, or testing;

(v) biotechnology;

(vi) computer programming, data processing, or other computer-related services;

(vii) central services as defined in § 6-101 of the Economic Development Article;

(viii) the operation of central administrative offices or a company headquarters as defined in § 6-101 of the Economic Development Article;

(ix) a public utility;

(x) warehousing; or

(xi) business services.

(3) To qualify for the enhanced property tax credit under this subsection, a business entity shall:

(i) within a 6-year period beginning on the notification date, employ individuals in the number of new permanent full-time positions required under paragraph (1) of this subsection;

(ii) during the 6-year hiring period, obtain and occupy the new or expanded premises and, if applicable, the newly renovated premises adjoining or otherwise neighboring the new or expanded premises; and

(iii) during the 6-year hiring period, comply with all other requirements for the credits described in this subsection and in any applicable local law.

(4) (i) If a business entity meets the requirements of this subsection and subsection (b) of this section and of applicable local law adopted under subsection (b)(1) of this section, for each of the first **[12] 24** taxable years after it qualifies for the credit, a property tax credit may be claimed against the county or municipal corporation property taxes that would otherwise be due.

(ii) The county or municipal corporation shall compute the amount of the property tax credit granted to equal 58.5% of the amount of property tax imposed on the increase in assessment of:

1. the new or expanded premises;
2. newly renovated real property improvements adjoining or otherwise neighboring the new or expanded premises, if the renovations

are substantial, as defined in legislation enacted by the county or municipal corporation to grant the credits under this subsection; and

3. the personal property located on the premises described in items 1 and 2 of this subparagraph.

(iii) The increase in assessment shall be measured from the notification date to the applicable annual assessment date after the county or municipal corporation has certified that the business entity has qualified for the credit.

(5) On receipt of notification under subsection (b)(7) of this section that a business entity has been certified for an enhanced property tax credit under this subsection, the Department shall compute and certify to the Comptroller or, in the case of the insurance premiums tax, the Maryland Insurance Commissioner the amount of the State tax credit authorized under this subsection that may be claimed by the business entity or any of its affiliates against the individual or corporate income tax, insurance premiums tax, or financial institution franchise tax that would otherwise be due to equal 31.5% of the amount of property tax imposed on the increase in assessment of the real and personal property described in paragraph (4)(ii) of this subsection for each of the first [12] 24 taxable years for which the credit is allowed.

(6) If a business entity or any of its affiliates claim the enhanced tax credits under this subsection for a certain premises, they may not claim the tax credits under subsection (c) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the extension of the duration of the tax credits provided under this Act shall apply to any business entity or affiliate of a business entity that qualified for the tax credits before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2012, and shall be applicable to all taxable years beginning after December 31, 2012.

Approved by the Governor, April 10, 2012.