

HB0394/593221/1

BY: Delegate Buckel

AMENDMENTS TO HOUSE BILL 394, AS AMENDED
(First Reading File Bill)

AMENDMENT NO. 1

On page 1 of the Committee on Ways and Means Amendments (HB0394/865365/1), in line 10 of Amendment No. 1, after “credit” insert “and certain sales and use tax refunds”; and in line 25, after “regulations;” insert “authorizing certain manufacturing businesses to claim a refund for the sales and use tax imposed on the sale of certain personal property or services and paid by the business entity during the preceding calendar year; requiring the business entity, in order to receive the refund, to file with the Department, on or after a certain date, a certain claim and provide to the Department certain evidence; establishing the More Jobs for Marylanders Sales and Use Tax Refund Reserve Fund; requiring the Department to pay certain claims for refunds of the sales and use tax from the Reserve Fund; requiring the Governor to include a certain appropriation to the Reserve Fund in the annual budget bill in certain fiscal years; requiring the Department to adopt certain regulations;”.

On page 2 of the Committee on Ways and Means Amendments, in lines 3 and 4 of Amendment No. 1, strike “1-303(h) and 10-741” and substitute “1-303(h), 10-741, and 11-411”.

AMENDMENT NO. 2

On page 6 of the Committee on Ways and Means Amendments, in line 2 of Amendment No. 4, strike “**(III)**” and substitute “**(IV)**”; in the same line, before “**AND**” insert:

“(III) A REFUND OF SALES AND USE TAX PAID DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, AS PROVIDED UNDER § 11-411 OF THE TAX – GENERAL ARTICLE;”;

(Over)

and in line 10, strike “IS” and substitute “AND SALES AND USE TAX REFUND PROVIDED UNDER § 11-411 OF THE TAX – GENERAL ARTICLE ARE”.

On page 10 of the Committee on Ways and Means Amendments, in line 6 of Amendment No. 7, after “ARTICLE” insert “AND THE SALES AND USE TAX REFUND UNDER § 11-411 OF THIS ARTICLE”.

On page 13 of the Committee on Ways and Means Amendments, in line 2 of Amendment No. 8, strike “\$10,000,000” and substitute “\$9,000,000”.

On page 15 of the Committee on Ways and Means Amendments, strike Amendment No. 9 in its entirety.

On page 10 of the bill, in line 24, strike “11-233.” and substitute “11-411.”; after line 28, insert:

“(3) “DEPARTMENT” MEANS THE DEPARTMENT OF COMMERCE.”;

and in line 29, strike “(3)” and substitute “(4)”.

On page 11 of the bill, in lines 1, 3, 6, and 9, strike “(4)”, “(5)”, “(6)”, and “(7)”, respectively, and substitute “(5)”, “(6)”, “(7)”, and “(8)”, respectively; after line 11, insert:

“(9) “RESERVE FUND” MEANS THE MORE JOBS FOR MARYLANDERS SALES AND USE TAX REFUND RESERVE FUND ESTABLISHED UNDER THIS SECTION.”;

in line 12, strike “THE SALES AND USE TAX DOES NOT APPLY TO” and substitute “EXCEPT AS PROVIDED IN § 6-805(B) OF THE ECONOMIC DEVELOPMENT ARTICLE AND SUBJECT TO SUBSECTION (C) OF THIS SECTION, A QUALIFIED”.

BUSINESS ENTITY IS ENTITLED TO A REFUND FOR THE AMOUNT OF SALES AND USE TAX PAID BY THE QUALIFIED BUSINESS ENTITY DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR FOR”; in line 13, after “SERVICES” insert “MADE ON OR AFTER JANUARY 1, 2018,”; in lines 13 and 14, strike “: (1)”; strike beginning with the semicolon in line 16 down through “SOUGHT” in line 19; and strike in their entirety lines 20 through 27, inclusive, and substitute:

“(C) A QUALIFIED BUSINESS ENTITY MAY CLAIM THE REFUND AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION BY:

(1) ON OR AFTER JANUARY 1 OF THE CALENDAR YEAR IMMEDIATELY FOLLOWING THE PURCHASE OF THE QUALIFIED PERSONAL PROPERTY OR SERVICES, FILING A CLAIM FOR REFUND WITH THE DEPARTMENT; AND

(2) PROVIDING THE DEPARTMENT ANY EVIDENCE THAT THE DEPARTMENT REQUIRES BY REGULATION.

(D) (1) THERE IS A MORE JOBS FOR MARYLANDERS SALES AND USE TAX REFUND RESERVE FUND THAT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE MONEY IN THE RESERVE FUND SHALL BE INVESTED AND REINVESTED BY THE STATE TREASURER, AND INTEREST AND EARNINGS SHALL BE CREDITED TO THE GENERAL FUND.

(3) THE DEPARTMENT SHALL ISSUE A REFUND IN AN AMOUNT EQUAL TO THE AMOUNT CLAIMED BY THE QUALIFIED BUSINESS ENTITY UNDER SUBSECTION (C) OF THIS SECTION.

(4) (I) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBPARAGRAPH, FOR ANY FISCAL YEAR, THE DEPARTMENT MAY NOT ISSUE SALES AND USE TAX REFUNDS IN AMOUNTS IN THE AGGREGATE TOTALING MORE THAN \$1,000,000 IN A FISCAL YEAR.

(II) IF THE AGGREGATE AMOUNT OF SALES AND USE TAX REFUNDS ISSUED IN A FISCAL YEAR TOTALS LESS THAN THE MAXIMUM PROVIDED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, ANY EXCESS AMOUNT SHALL BE TRANSFERRED TO THE MORE JOBS FOR MARYLANDERS TAX CREDIT RESERVE FUND ESTABLISHED UNDER § 10-741 OF THIS ARTICLE.

(III) FOR ANY FISCAL YEAR, IF FUNDS ARE TRANSFERRED FROM THE RESERVE FUND UNDER AUTHORITY OF ANY PROVISION OF LAW, THE MAXIMUM AMOUNTS IN THE AGGREGATE FOR WHICH THE DEPARTMENT MAY ISSUE SALES AND USE TAX REFUNDS SHALL BE REDUCED BY THE AMOUNT TRANSFERRED.

(5) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE RESERVE FUND.

(6) NOTWITHSTANDING THE PROVISIONS OF § 7-213 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR MAY NOT REDUCE AN APPROPRIATION TO THE RESERVE FUND IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY.

(E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION AND TO SPECIFY CRITERIA AND PROCEDURES FOR THE APPLICATION FOR, APPROVAL OF, AND MONITORING OF CONTINUING ELIGIBILITY FOR SALES AND USE TAX REFUNDS UNDER THIS SECTION.”