

SB0317/795566/1

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL 317
(Third Reading File Bill)

AMENDMENT NO. 1

On pages 1 and 2, strike in their entirety the lines beginning with line 3 on page 1 through line 41 on page 2, inclusive, and substitute:

“FOR the purpose of establishing the More Jobs for Marylanders Program within the Department of Commerce to provide certain manufacturing business entities tax credits and benefits for a certain number of years; providing that certain business entities receiving tax credits under certain programs are not eligible to receive the credits or benefits under the Program; requiring the Department to administer the Program; authorizing certain types of businesses to receive certain credits and benefits under the Program; providing for the termination of certain business entities from the Program under certain circumstances; authorizing the Secretary of the Department to adopt any regulation necessary to implement the Program; requiring the Department to report to the General Assembly on or before a certain date; providing that certain business entities certified under the Program are not required to pay certain fees; establishing a Workforce Development Sequence Scholarship to be administered by the Office of Student Financial Assistance in the Maryland Higher Education Commission; authorizing an individual to apply to the Office for a scholarship if the individual is an eligible student; providing for the uses of the scholarship; establishing the maximum award amount of the scholarship; requiring the Governor annually to include at least a certain appropriation in the State budget to the Commission for the Workforce Development Sequence Scholarship; requiring the Commission to submit a certain report to the General Assembly on or before a certain date each year; requiring the evaluation of a certain tax credit and certain sales and use tax refunds on or before a certain date; allowing a credit against the State income tax for certain income of business entities certified under the Program; providing a credit against the State property tax for certain business entities certified under

(Over)

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the Program; requiring certain manufacturing businesses to apply for a tax credit certificate from the Department under certain circumstances; authorizing the Department to provide for the form and content of the application; authorizing the Department to issue tax credit certificates, subject to certain limitations; limiting the total credit amounts for which the Department may issue initial credit certificates for each fiscal year; requiring the Department to give priority to certain manufacturing businesses under certain circumstances and to notify the Comptroller of the amount of any tax credit certificates issued; establishing the More Jobs for Marylanders Tax Credit Reserve Fund; requiring the Governor to include a certain appropriation to the Reserve Fund in the annual budget bill for certain fiscal years; requiring the Comptroller to transfer certain amounts from the Reserve Fund to the General Fund under certain circumstances; requiring the Department to report to the Governor and the General Assembly certain information regarding the tax credit; requiring the Department and the Comptroller to jointly adopt certain regulations; 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; providing an exemption for certain property of a manufacturing entity from a certain limitation on the applicability of certain Maryland income tax modifications for certain deductions for the cost of business property placed in service that is treated as an expense for federal income tax purposes; providing an exemption for certain property of a manufacturing entity from a certain limitation on the applicability of certain Maryland income tax modifications for a certain additional depreciation allowance under the federal income tax for business property placed in service;

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defining certain terms; providing for the application of this Act; and generally relating to certain tax credits and other benefits for certain manufacturing businesses.”.

On pages 2 through 4, strike in their entirety the lines beginning with line 42 on page 2 through line 8 on page 4, inclusive, and substitute:

“BY repealing and reenacting, without amendments,

Article – Economic Development
Section 1–101(a), (b), (e), and (f)
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

BY adding to

Article – Economic Development
Section 6–801 through 6–810 to be under the new subtitle “Subtitle 8. More Jobs
for Marylanders Program”
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Corporations and Associations
Section 1–203.1
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Education
Section 18–101(a) through (c)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

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BY adding to

Article – Education

Section 18–3301 through 18–3304 to be under the new subtitle “Subtitle 33.
Workforce Development Sequence Scholarships”

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 1–303(a) and 10–210.1(a) and (b)(1) and (3)

Annotated Code of Maryland

(2016 Replacement Volume)

BY adding to

Article – Tax – General

Section 1–303(h), 10–741, and 11–411

Annotated Code of Maryland

(2016 Replacement Volume)

BY adding to

Article – Tax – Property

Section 9–110

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)”.

AMENDMENT NO. 2

On pages 4 through 22, strike in their entirety the lines beginning with line 9 on page 4 through line 35 on page 22, inclusive, and substitute:

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

Article – Economic Development

1–101.

(a) In this division the following words have the meanings indicated.

(b) “County” means a county of the State or Baltimore City.

(e) (1) “Qualified distressed county” means a county with:

(i) an average rate of unemployment for the most recent 24–month period for which data are available that exceeds 150% of the average rate of unemployment for the State during that period; or

(ii) an average per capita personal income for the most recent 24–month period for which data are available that is equal to or less than 67% of the average per capita personal income for the State during that period.

(2) “Qualified distressed county” includes a county that:

(i) no longer meets either criterion stated in paragraph (1) of this subsection; but

(ii) has met at least one of the criteria at some time during the preceding 24–month period.

(f) “Secretary” means the Secretary of Commerce.

SUBTITLE 8. MORE JOBS FOR MARYLANDERS PROGRAM.

6–801.

(Over)

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “BENEFIT YEAR” MEANS A TAXABLE YEAR IN WHICH A QUALIFIED BUSINESS ENTITY CLAIMS A PROGRAM BENEFIT ESTABLISHED UNDER § 6-805 OF THIS SUBTITLE.

(C) (1) “BUSINESS ENTITY” MEANS A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS THAT IS PRIMARILY ENGAGED IN ACTIVITIES THAT, IN ACCORDANCE WITH THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS), UNITED STATES MANUAL, UNITED STATES OFFICE OF MANAGEMENT AND BUDGET, 2012 EDITION, WOULD BE INCLUDED IN SECTOR 31, 32, OR 33.

(2) “BUSINESS ENTITY” DOES NOT INCLUDE A REFINER, AS DEFINED IN 10-101 OF THE BUSINESS REGULATION ARTICLE.

(D) “ELIGIBLE PROJECT” MEANS A FACILITY OPERATED BY A BUSINESS ENTITY IN A TIER I COUNTY OR TIER II COUNTY.

(E) “EXISTING BUSINESS ENTITY” MEANS A BUSINESS ENTITY THAT IS LOCATED IN THE STATE AT THE TIME IT NOTIFIES THE DEPARTMENT UNDER § 6-803(C) OF THIS SUBTITLE.

(F) “NEW BUSINESS ENTITY” MEANS A BUSINESS ENTITY THAT IS NOT LOCATED IN THE STATE AT THE TIME IT NOTIFIES THE DEPARTMENT UNDER § 6-803(B) OF THIS SUBTITLE.

(G) “PROGRAM” MEANS THE MORE JOBS FOR MARYLANDERS PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

(H) “QUALIFIED BUSINESS ENTITY” MEANS A NEW BUSINESS ENTITY OR AN EXISTING BUSINESS ENTITY OPERATING AN ELIGIBLE PROJECT UNDER THIS SUBTITLE.

(I) (1) “QUALIFIED POSITION” MEANS A POSITION THAT:

(I) IS FULL-TIME AND OF INDEFINITE DURATION;

(II) PAYS AT LEAST 120% OF THE STATE MINIMUM WAGE;

(III) IS LOCATED IN A FACILITY;

(IV) IS NEWLY CREATED AT A SINGLE FACILITY IN THE STATE;

AND

(V) IS FILLED.

(2) “QUALIFIED POSITION” DOES NOT INCLUDE A POSITION THAT IS:

(I) CREATED WHEN AN EMPLOYMENT FUNCTION IS SHIFTED FROM AN EXISTING FACILITY OF A BUSINESS ENTITY IN THE STATE TO ANOTHER FACILITY OF THE SAME BUSINESS ENTITY IF THE POSITION IS NOT A NET NEW JOB IN THE STATE;

(II) CREATED THROUGH A CHANGE IN OWNERSHIP OF A TRADE OR BUSINESS;

(Over)

(III) CREATED THROUGH A CONSOLIDATION, MERGER, OR RESTRUCTURING OF A BUSINESS ENTITY IF THE POSITION IS NOT A NET NEW JOB IN THE STATE;

(IV) CREATED WHEN AN EMPLOYMENT FUNCTION IS CONTRACTUALLY SHIFTED FROM AN EXISTING BUSINESS ENTITY TO ANOTHER BUSINESS ENTITY IN THE STATE IF THE POSITION IS NOT A NET NEW JOB IN THE STATE; OR

(V) FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.

(J) “TIER I COUNTY” MEANS:

(1) A QUALIFIED DISTRESSED COUNTY, AS DEFINED IN § 1-101 OF THIS ARTICLE;

(2) A COUNTY IN WHICH THE AVERAGE RATE OF UNEMPLOYMENT FOR THE MOST RECENT 24-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE EXCEEDS THE AVERAGE RATE OF UNEMPLOYMENT IN THE STATE BY AT LEAST 2 PERCENTAGE POINTS; OR

(3) A COUNTY DESIGNATED BY THE DEPARTMENT AS A TIER I COUNTY UNDER § 6-804 OF THIS SUBTITLE AND THAT IS NOT A COUNTY DESCRIBED IN PARAGRAPH (1) OR (2) OF THIS SUBSECTION.

(K) “TIER II COUNTY” MEANS A COUNTY THAT IS NOT A COUNTY DESCRIBED IN SUBSECTION (J) OF THIS SECTION.

6-802.

(A) THERE IS A MORE JOBS FOR MARYLANDERS PROGRAM IN THE DEPARTMENT.

(B) A BUSINESS ENTITY THAT IS RECEIVING BENEFITS UNDER THE ONE MARYLAND TAX CREDIT PROGRAM, THE JOB CREATION TAX CREDIT PROGRAM, THE ENTERPRISE ZONE PROGRAM, OR ANY OTHER JOBS-BASED TAX BENEFIT PROGRAM ADMINISTERED BY THE DEPARTMENT, IS NOT ELIGIBLE TO SIMULTANEOUSLY RECEIVE BENEFITS UNDER THE PROGRAM.

6-803.

(A) A BUSINESS ENTITY MAY APPLY TO THE DEPARTMENT TO ENROLL AN ELIGIBLE PROJECT IN THE PROGRAM IF THE ELIGIBLE PROJECT:

(1) IS IN A TIER I COUNTY AND THE BUSINESS ENTITY INTENDS TO CREATE AT LEAST FIVE QUALIFIED POSITIONS AT THE PROJECT LOCATION; OR

(2) IS IN A TIER II COUNTY AND THE BUSINESS ENTITY INTENDS TO CREATE AT LEAST 10 QUALIFIED POSITIONS AT THE PROJECT LOCATION.

(B) (1) A NEW BUSINESS ENTITY MAY NOT BE CERTIFIED AS A QUALIFIED BUSINESS ENTITY UNLESS THE NEW BUSINESS ENTITY NOTIFIES THE DEPARTMENT OF ITS INTENT TO SEEK DESIGNATION OF AN ELIGIBLE PROJECT BEFORE ESTABLISHING ITS FACILITY IN THE STATE.

(2) THE DEPARTMENT MAY CERTIFY A NEW BUSINESS ENTITY AS A QUALIFIED BUSINESS ENTITY AFTER THE NEW BUSINESS ENTITY PROVIDES THE REQUIRED NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION, APPLIES TO THE DEPARTMENT UNDER PARAGRAPH (3) OF THIS SUBSECTION, AND ESTABLISHES AN ELIGIBLE PROJECT.

(Over)

(3) A NEW BUSINESS ENTITY SHALL SUBMIT TO THE DEPARTMENT AN APPLICATION CONTAINING AT LEAST THE FOLLOWING INFORMATION:

(I) THE ANTICIPATED DATE OF THE ESTABLISHMENT AND INITIAL OPERATION OF THE FACILITY AND THE NATURE OF ITS OPERATIONS;

(II) THE EXPECTED LOCATION OF THE FACILITY;

(III) THE ESTIMATED NUMBER OF QUALIFIED POSITIONS TO BE CREATED AND QUALIFIED EMPLOYEES TO BE HIRED AND THE ANTICIPATED PAYROLL OF THE NEW QUALIFIED EMPLOYEES; AND

(IV) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.

(c) (1) AN EXISTING BUSINESS ENTITY MAY APPLY TO BE CERTIFIED AS A QUALIFIED BUSINESS ENTITY IF THE EXISTING BUSINESS ENTITY INCREASES THE NUMBER OF QUALIFIED POSITIONS AS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION FOR AN ELIGIBLE PROJECT IN A TIER I OR TIER II COUNTY.

(2) AN EXISTING BUSINESS ENTITY MAY NOT BE CERTIFIED AS A QUALIFIED BUSINESS ENTITY UNLESS THE BUSINESS ENTITY NOTIFIES THE DEPARTMENT OF ITS INTENT TO SEEK DESIGNATION OF AN ELIGIBLE PROJECT PRIOR TO HIRING ANY EMPLOYEES TO FILL THE QUALIFIED POSITIONS NECESSARY TO MEET THE REQUIREMENTS OF THIS SUBTITLE.

(3) AN EXISTING BUSINESS ENTITY SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT CONTAINING AT LEAST THE FOLLOWING INFORMATION:

(I) THE NUMBER OF FULL-TIME EMPLOYEES EXISTING BEFORE THE EXPANSION AND THE PAYROLL OF THE EXISTING EMPLOYEES;

(II) THE ESTIMATED NUMBER OF QUALIFIED POSITIONS TO BE CREATED AND QUALIFIED EMPLOYEES TO BE HIRED AND THE ANTICIPATED PAYROLL OF THE NEW QUALIFIED EMPLOYEES; AND

(III) ANY OTHER INFORMATION THAT THE DEPARTMENT REQUIRES.

(D) A BUSINESS ENTITY MUST BEGIN HIRING THE EMPLOYEES TO FILL THE QUALIFIED POSITIONS NECESSARY TO MEET THE REQUIREMENTS OF THIS SUBTITLE WITHIN 12 MONTHS AFTER IT NOTIFIES THE DEPARTMENT OF ITS INTENT TO SEEK DESIGNATION OF AN ELIGIBLE PROJECT.

6-804.

(A) THE DEPARTMENT SHALL DESIGNATE A COUNTY AS A TIER I COUNTY IF, AFTER APPLICATION OF THE SCORING SYSTEM DEVELOPED UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION, THE COUNTY IS RANKED IN ONE OF THE TOP THREE POSITIONS.

(B) THE DEPARTMENT SHALL DEVELOP A SCORING SYSTEM IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL ASSIGN A SCORE FOR EACH OF THE FOLLOWING INDICATORS:

(Over)

(I) FOR THE MOST RECENT 12-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE:

1. THE AVERAGE UNEMPLOYMENT RATE IN THE COUNTY, WHICH SHALL ACCOUNT FOR 50% OF THE SCORE; AND

2. THE MEDIAN HOUSEHOLD INCOME IN THE COUNTY, WHICH SHALL ACCOUNT FOR 30% OF THE SCORE; AND

(II) THE OVERALL POPULATION OF THE COUNTY, AS MEASURED BY THE MOST RECENT UNITED STATES CENSUS, WHICH SHALL ACCOUNT FOR 20% OF THE SCORE.

(2) THE SCORE FOR EACH INDICATOR UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ASSIGNED AS FOLLOWS:

(I) THE HIGHEST SCORE FOR THE COUNTY WITH THE HIGHEST AVERAGE UNEMPLOYMENT RATE;

(II) THE HIGHEST SCORE FOR THE COUNTY WITH THE LOWEST MEDIAN HOUSEHOLD INCOME; AND

(III) THE HIGHEST SCORE FOR THE COUNTY WITH THE HIGHEST OVERALL POPULATION.

6-805.

(A) THE PROGRAM BENEFITS AUTHORIZED UNDER THIS SECTION MAY BE CLAIMED BY A QUALIFIED BUSINESS ENTITY FOR UP TO 10 CONSECUTIVE BENEFIT YEARS.

(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, ON ENROLLMENT IN THE PROGRAM:

(1) A NEW BUSINESS ENTITY IN A TIER I COUNTY IS ELIGIBLE FOR:

(I) A CREDIT AGAINST THE STATE INCOME TAX, ESTABLISHED UNDER § 10-741(B) OF THE TAX – GENERAL ARTICLE;

(II) A CREDIT AGAINST THE STATE PROPERTY TAX, ESTABLISHED UNDER § 9-110 OF THE TAX – PROPERTY ARTICLE;

(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; AND

(IV) A WAIVER OF FEES CHARGED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION, ESTABLISHED UNDER § 1-203.1 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND

(2) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, AN EXISTING BUSINESS ENTITY IN A TIER I LOCATION AND A QUALIFIED BUSINESS ENTITY IN A TIER II LOCATION ARE ELIGIBLE FOR A CREDIT AGAINST THE STATE INCOME TAX, ESTABLISHED UNDER § 10-741(B) OF THE TAX – GENERAL ARTICLE.

(C) THE INCOME TAX CREDIT ESTABLISHED UNDER § 10-741(B) OF THE TAX – GENERAL ARTICLE AND SALES AND USE TAX REFUND PROVIDED UNDER § 11-411 OF THE TAX – GENERAL ARTICLE ARE NOT AVAILABLE TO AN EXISTING

(Over)

BUSINESS ENTITY IF THE ENTITY MOVES ITS FACILITY TO ANOTHER COUNTY IN THE STATE ON OR AFTER JUNE 1, 2017.

(D) IF THE NUMBER OF QUALIFIED POSITIONS AT THE ELIGIBLE PROJECT DECREASES TO A NUMBER LESS THAN THE NUMBER ESTABLISHED IN THE FIRST BENEFIT YEAR, THE PROJECT SHALL BE REMOVED FROM THE PROGRAM AND ALL PROGRAM BENEFITS TERMINATE.

6-806.

(A) THE DEPARTMENT SHALL PROVIDE TO A QUALIFIED BUSINESS ENTITY A CERTIFICATE THAT:

(1) CERTIFIES THE ELIGIBLE PROJECT THAT IS ENROLLED IN THE PROGRAM;

(2) CERTIFIES THE PROGRAM BENEFITS THE QUALIFIED BUSINESS ENTITY MAY CLAIM;

(3) PROVIDES THE DURATION OF THE CERTIFICATION; AND

(4) PROVIDES ANY ADDITIONAL INFORMATION NECESSARY FOR THE COMPTROLLER AND DEPARTMENT TO ADMINISTER THE PROGRAM.

(B) THE DEPARTMENT MAY NOT PROVIDE A QUALIFIED BUSINESS ENTITY A CERTIFICATE ON OR AFTER JUNE 1, 2020.

6-807.

(A) THE DEPARTMENT MAY REVOKE ITS CERTIFICATION UNDER THIS SUBTITLE, IN WHOLE OR IN PART, IF ANY REPRESENTATION MADE BY A QUALIFIED BUSINESS ENTITY IS DETERMINED BY THE DEPARTMENT TO HAVE BEEN FALSE WHEN MADE.

(B) IF THE DEPARTMENT REVOKES ITS CERTIFICATION AS PROVIDED UNDER SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER MAY MAKE AN ASSESSMENT AGAINST THE QUALIFIED BUSINESS ENTITY TO RECAPTURE ANY AMOUNT OF A TAX CREDIT OR ANY OTHER BENEFIT THAT THE QUALIFIED BUSINESS ENTITY HAS RECEIVED.

6-808.

(A) THE DEPARTMENT MAY REQUIRE THAT ANY INFORMATION PROVIDED UNDER THIS SUBTITLE BE VERIFIED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT THAT THE QUALIFIED BUSINESS ENTITY AND THE DEPARTMENT SELECT.

(B) (1) ACCEPTANCE BY A QUALIFIED BUSINESS ENTITY OF THE PROGRAM BENEFITS UNDER THIS SUBTITLE SHALL BE DEEMED TO AUTHORIZE THE COMPTROLLER TO SHARE WITH THE DEPARTMENT ANY INFORMATION RECEIVED FROM A QUALIFIED BUSINESS ENTITY ABOUT ELIGIBILITY FOR A BENEFIT ALLOWED UNDER THIS SUBTITLE.

(2) INFORMATION THAT IS RECEIVED BY THE DEPARTMENT OR COMPTROLLER UNDER PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO CONFIDENTIALITY REQUIREMENTS ESTABLISHED BY LAW.

6-809.

(Over)

THE SECRETARY MAY ADOPT ANY REGULATION NECESSARY AND APPROPRIATE TO CARRY OUT THIS SUBTITLE.

6-810.

ON OR BEFORE DECEMBER 1 EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE QUALIFIED BUSINESS ENTITIES RECEIVING FINAL CERTIFICATION IN THE PRECEDING FISCAL YEAR.

Article – Corporations and Associations

1-203.1.

(A) With the exception of the recording fee to be paid when the Department accepts articles of incorporation for record, a volunteer fire company or volunteer rescue squad incorporated in this State is not subject to any of the recording, filing, or special fees enumerated in § 1-203 of this subtitle.

(B) A QUALIFIED BUSINESS ENTITY IN A TIER I COUNTY THAT IS A NEW BUSINESS ENTITY, AS DEFINED UNDER THE MORE JOBS FOR MARYLANDERS PROGRAM ESTABLISHED UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC DEVELOPMENT ARTICLE, IS NOT SUBJECT TO THE FEES ENUMERATED IN § 1-203 OF THIS SUBTITLE.

Article – Education

18-101.

(a) In this title the following words have the meanings indicated.

- (b) “Commission” means the Maryland Higher Education Commission.
- (c) “Office” means the Office of Student Financial Assistance.

SUBTITLE 33. WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIPS.

18-3301.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “ELIGIBLE STUDENT” MEANS A STUDENT WHO:

(1) IS A MARYLAND RESIDENT OR HAS GRADUATED FROM A MARYLAND HIGH SCHOOL; AND

(2) IS ENROLLED IN A WORKFORCE DEVELOPMENT SEQUENCE AT A PUBLIC COMMUNITY COLLEGE IN THE STATE.

(C) (1) “WORKFORCE DEVELOPMENT SEQUENCE” MEANS A PROGRAM OFFERED BY A COMMUNITY COLLEGE THAT IS APPROVED BY THE COMMISSION AND IS COMPOSED OF COURSES THAT ARE RELATED TO:

(I) JOB PREPARATION OR AN APPRENTICESHIP;

(II) LICENSURE OR CERTIFICATION; OR

(III) JOB SKILL ENHANCEMENT.

(2) “WORKFORCE DEVELOPMENT SEQUENCE” DOES NOT INCLUDE A SEQUENCE OF COURSES LEADING TO AN ASSOCIATE’S OR BACHELOR’S DEGREE.

(D) “WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP” MEANS AN AWARD MADE TO AN ELIGIBLE STUDENT UNDER THIS SUBTITLE.

18-3302.

(A) THERE IS A WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP ADMINISTERED BY THE OFFICE.

(B) IN AWARDING WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIPS UNDER THIS SUBTITLE, THE OFFICE SHALL CONSIDER:

(1) AN ELIGIBLE STUDENT’S FINANCIAL NEED; AND

(2) LOCAL WORKFORCE NEEDS.

18-3303.

(A) AN INDIVIDUAL MAY APPLY TO THE OFFICE FOR A SCHOLARSHIP UNDER THIS SECTION IF THE INDIVIDUAL IS AN ELIGIBLE STUDENT.

(B) AN ELIGIBLE STUDENT WHO RECEIVES A WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP UNDER THIS SUBTITLE MAY USE THE AWARD FOR TUITION, MANDATORY FEES, AND OTHER ASSOCIATED COSTS OF ATTENDANCE.

(C) THE ANNUAL AMOUNT OF A SCHOLARSHIP AWARDED TO AN ELIGIBLE STUDENT MAY NOT EXCEED \$2,000.

(D) THE GOVERNOR SHALL PROVIDE IN THE ANNUAL BUDGET AN APPROPRIATION OF AT LEAST \$1,000,000 TO THE COMMISSION FOR THE WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP.

18-3304.

ON OR BEFORE DECEMBER 1 EACH YEAR, THE COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE NUMBER OF STUDENTS WHO RECEIVED A WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP;

(2) THE AMOUNT OF THE AWARD MADE TO EACH RECIPIENT;

(3) THE COMMUNITY COLLEGE THAT THE RECIPIENT ATTENDED;

AND

(4) THE WORKFORCE DEVELOPMENT SEQUENCE IN WHICH THE RECIPIENT ENROLLED.

Article – Tax – General

1-303.

(a) An evaluation shall be made of the tax credits on or before the dates specified in subsections (b) through [(e)] (H) of this section.

(Over)

(H) ON OR BEFORE JULY 1, 2021, AN EVALUATION SHALL BE MADE OF THE TAX CREDIT UNDER § 10-741 OF THIS ARTICLE AND THE SALES AND USE TAX REFUND UNDER § 11-411 OF THIS ARTICLE (MORE JOBS FOR MARYLANDERS TAX CREDIT).

10-741.

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

(2) “BUSINESS ENTITY” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

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

(4) “ELIGIBLE PROJECT” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(5) “EXISTING BUSINESS ENTITY” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(6) “NEW BUSINESS ENTITY” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(7) “QUALIFIED BUSINESS ENTITY” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(8) “QUALIFIED POSITION” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL OR CORPORATION THAT IS A QUALIFIED BUSINESS ENTITY MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX EQUAL TO THE AMOUNT STATED IN THE FINAL TAX CREDIT CERTIFICATE APPROVED BY THE DEPARTMENT FOR AN ELIGIBLE PROJECT.

(2) THE AMOUNT OF THE CREDIT AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS EQUAL TO THE PRODUCT OF:

(I) THE STATE EMPLOYER WITHHOLDING AMOUNT, WHICH IS EQUAL TO THE HIGHEST TAX RATE LISTED IN § 10-105(A) OF THIS TITLE; AND

(II) THE TOTAL AMOUNT OF WAGES PAID FOR EACH QUALIFIED POSITION AT AN ELIGIBLE PROJECT.

(3) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE QUALIFIED BUSINESS ENTITY FOR THAT TAXABLE YEAR, THE QUALIFIED BUSINESS ENTITY MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

(C) (1) ON ENROLLMENT IN THE MORE JOBS FOR MARYLANDERS PROGRAM ESTABLISHED UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC DEVELOPMENT ARTICLE, A QUALIFIED BUSINESS ENTITY SHALL APPLY TO THE DEPARTMENT FOR A TAX CREDIT CERTIFICATE.

(2) THE APPLICATION SHALL BE IN THE FORM AND SHALL CONTAIN THE INFORMATION THE DEPARTMENT REQUIRES.

(3) (I) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, THE DEPARTMENT MAY ISSUE A TAX CREDIT CERTIFICATE TO A QUALIFIED

BUSINESS ENTITY IN AN AMOUNT NOT TO EXCEED THE AMOUNT DETERMINED UNDER SECTION (B)(2) OF THIS SECTION.

(II) IN DETERMINING THE ALLOCATION OF THE AGGREGATE TAX CREDIT AMOUNTS AVAILABLE IN A FISCAL YEAR AS PROVIDED UNDER SUBSECTION (D) OF THIS SECTION, THE DEPARTMENT SHALL GIVE PRIORITY TO APPLICATIONS FOR ELIGIBLE PROJECTS IN A TIER I COUNTY, AS DEFINED UNDER § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(D) (1) IN THIS SUBSECTION, “RESERVE FUND” MEANS THE MORE JOBS FOR MARYLANDERS TAX CREDIT RESERVE FUND ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

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

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

(3) (I) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE DEPARTMENT SHALL ISSUE AN INITIAL TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO A PERCENTAGE OF TOTAL WAGES PAID FOR EACH QUALIFIED POSITION AT AN ELIGIBLE PROJECT AS CALCULATED UNDER SUBSECTION (B)(2) OF THIS SECTION.

(II) AN INITIAL TAX CREDIT CERTIFICATE ISSUED UNDER THIS SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF TAX CREDIT FOR WHICH THE QUALIFIED BUSINESS ENTITY IS ELIGIBLE.

(III) 1. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBPARAGRAPH, FOR ANY FISCAL YEAR, THE DEPARTMENT MAY NOT ISSUE INITIAL TAX CREDIT CERTIFICATES FOR CREDIT AMOUNTS IN THE AGGREGATE TOTALING MORE THAN \$9,000,000 IN A FISCAL YEAR.

2. IF THE AGGREGATE CREDIT AMOUNTS UNDER INITIAL TAX CREDIT CERTIFICATES ISSUED IN A FISCAL YEAR TOTAL LESS THAN THE MAXIMUM PROVIDED UNDER ITEM 1 OF THIS SUBPARAGRAPH, ANY EXCESS AMOUNT SHALL REMAIN IN THE RESERVE FUND AND MAY BE ISSUED UNDER INITIAL TAX CREDIT CERTIFICATES FOR THE NEXT FISCAL YEAR.

3. FOR ANY FISCAL YEAR, IF FUNDS ARE TRANSFERRED FROM THE RESERVE FUND UNDER THE AUTHORITY OF ANY PROVISION OF LAW OTHER THAN UNDER PARAGRAPH (4) OF THIS SUBSECTION, THE MAXIMUM CREDIT AMOUNTS IN THE AGGREGATE FOR WHICH THE DEPARTMENT MAY ISSUE INITIAL TAX CREDIT CERTIFICATES SHALL BE REDUCED BY THE AMOUNT TRANSFERRED.

(IV) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE RESERVE FUND IN AN AMOUNT THAT IS NO LESS THAN THE AMOUNT THE DEPARTMENT REPORTS IS NECESSARY UNDER SUBSECTION (E) OF THIS SECTION TO:

1. MAINTAIN THE CURRENT LEVEL OF MANUFACTURING ACTIVITY IN THE STATE; AND

(Over)

2. ATTRACT NEW MANUFACTURING ACTIVITY TO THE STATE.

(V) 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.

(VI) BASED ON AN AMOUNT EQUAL TO A PERCENTAGE OF THE TOTAL ACTUAL WAGES PAID FOR EACH QUALIFIED POSITION AT AN ELIGIBLE PROJECT AS CALCULATED UNDER SUBSECTION (B)(2) OF THIS SECTION, THE DEPARTMENT SHALL ISSUE A FINAL TAX CREDIT CERTIFICATE TO THE QUALIFIED BUSINESS ENTITY.

(4) (I) EXCEPT AS PROVIDED IN THIS PARAGRAPH, MONEY APPROPRIATED TO THE RESERVE FUND SHALL REMAIN IN THE FUND.

(II) 1. WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR QUARTER, THE DEPARTMENT SHALL NOTIFY THE COMPTROLLER AS TO EACH FINAL CREDIT CERTIFICATE ISSUED DURING THE QUARTER:

A. THE MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL TAX CREDIT CERTIFICATE FOR THE QUALIFIED BUSINESS ENTITY; AND

B. THE FINAL CERTIFIED CREDIT AMOUNT FOR THE QUALIFIED BUSINESS ENTITY.

2. ON NOTIFICATION THAT A FINAL CREDIT AMOUNT HAS BEEN CERTIFIED, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL

TO THE CREDIT AMOUNT STATED IN THE INITIAL TAX CREDIT CERTIFICATE FOR THE QUALIFIED BUSINESS ENTITY FROM THE RESERVE FUND TO THE GENERAL FUND.

(E) ON OR BEFORE JULY 1 EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE AMOUNT OF TAX CREDITS NECESSARY TO:

(1) MAINTAIN THE CURRENT LEVEL OF MANUFACTURING ACTIVITY IN THE STATE; AND

(2) ATTRACT NEW MANUFACTURING ACTIVITY TO THE STATE.

(F) THE DEPARTMENT AND THE COMPTROLLER JOINTLY 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 THE TAX CREDIT UNDER THIS SECTION.

11-411.

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

(2) “BUSINESS ENTITY” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

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

(Over)

(4) “ELIGIBLE PROJECT” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(5) “NEW BUSINESS ENTITY” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(6) “PROGRAM” MEANS THE MORE JOBS FOR MARYLANDERS PROGRAM ESTABLISHED UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(7) “QUALIFIED BUSINESS ENTITY” MEANS A NEW BUSINESS ENTITY OPERATING AN ELIGIBLE PROJECT UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(8) “QUALIFIED PERSONAL PROPERTY OR SERVICES” MEANS PERSONAL PROPERTY OR SERVICES PURCHASED FOR USE AT AN ELIGIBLE PROJECT BY A QUALIFIED BUSINESS ENTITY THAT IS ENROLLED IN THE PROGRAM.

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

(B) 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 A SALE OF QUALIFIED PERSONAL PROPERTY OR SERVICES MADE ON OR AFTER JANUARY 1, 2018, IF THE QUALIFIED PERSONAL PROPERTY OR SERVICES ARE PURCHASED BY THE

QUALIFIED BUSINESS ENTITY SOLELY FOR USE AT AN ELIGIBLE PROJECT WHILE THE PROJECT IS ENROLLED IN THE PROGRAM.

(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

(Over)

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.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – Property

9-110.

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

(2) “BUSINESS ENTITY” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(3) “ELIGIBLE PROJECT” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(4) “NEW BUSINESS ENTITY” HAS THE MEANING STATED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(5) “QUALIFIED BUSINESS ENTITY” MEANS A NEW BUSINESS ENTITY OPERATING AN ELIGIBLE PROJECT IN A TIER I COUNTY, AS DEFINED UNDER § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(6) “QUALIFIED PROPERTY” MEANS REAL PROPERTY WHERE AN ELIGIBLE PROJECT IS LOCATED.

(B) (1) THERE IS A CREDIT AGAINST THE STATE PROPERTY TAX UNDER THIS SECTION IMPOSED ON REAL PROPERTY OWNED BY A QUALIFIED BUSINESS ENTITY ENROLLED IN THE MORE JOBS FOR MARYLANDERS PROGRAM

(Over)

ESTABLISHED UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(2) THE PROPERTY TAX CREDIT PROVIDED UNDER THIS SECTION IS EQUAL TO 100% OF ALL STATE PROPERTY TAX THAT IS DUE.

(3) THE PROPERTY TAX CREDIT PROVIDED UNDER THIS SECTION DOES NOT AFFECT THE AMOUNT OF THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THE PROPERTY.

(c) BY JUNE 15 EACH YEAR, THE DEPARTMENT SHALL SUBMIT TO THE DEPARTMENT OF COMMERCE A LIST THAT INCLUDES:

(1) THE LOCATION OF EACH QUALIFIED PROPERTY;

(2) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED PROPERTY; AND

(3) THE AMOUNT OF THE STATE PROPERTY TAX ASSESSED AGAINST EACH QUALIFIED PROPERTY.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

10-210.1.

(a) (1) In this section the following words have the meanings indicated.

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(2) “Depreciation” includes any deduction allowed under § 179 of the Internal Revenue Code.

(3) “Heavy duty SUV” means a 4-wheeled vehicle that:

(i) is manufactured primarily for use on public streets, roads, and highways;

(ii) is rated at more than 6,000 but not more than 14,000 pounds gross vehicle weight; and

(iii) would be a passenger automobile as defined in § 280F of the Internal Revenue Code if it were rated at 6,000 pounds gross vehicle weight or less.

(4) (I) “MANUFACTURING ENTITY” MEANS A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS THAT IS PRIMARILY ENGAGED IN ACTIVITIES THAT, IN ACCORDANCE WITH THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS), UNITED STATES MANUAL, UNITED STATES OFFICE OF MANAGEMENT AND BUDGET, 2012 EDITION, WOULD BE INCLUDED IN SECTOR 31, 32, OR 33.

(II) “MANUFACTURING ENTITY” DOES NOT INCLUDE A REFINER, AS DEFINED IN § 10-101 OF THE BUSINESS REGULATION ARTICLE.

(b) In addition to the modifications under §§ 10-204 through 10-210 of this subtitle, to determine Maryland adjusted gross income of an individual:

(1) **(I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM, an amount is added to or subtracted from federal adjusted gross income to reflect the determination of the depreciation deduction provided under § 167(a) of the Internal**

(Over)

Revenue Code and the adjusted basis of property without regard to the additional allowance under § 168(k) of the Internal Revenue Code; AND

(II) ITEM (I) OF THIS ITEM DOES NOT APPLY TO PROPERTY PLACED IN SERVICE BY A MANUFACTURING ENTITY ON OR AFTER JANUARY 1, 2019;

(3) (I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM, an amount is added to or subtracted from federal adjusted gross income to reflect the determination of the maximum aggregate costs that the taxpayer may treat as an expense under § 179 of the Internal Revenue Code for any taxable year without regard to any changes made to that section after December 31, 2002;

[(i)] 1. increasing above \$25,000 the dollar limitation set forth in § 179(b)(1) of the Internal Revenue Code; or

[(ii)] 2. increasing above \$200,000 the phase-out threshold set forth in § 179(b)(2) of the Internal Revenue Code; AND

(II) ITEM (I) OF THIS ITEM DOES NOT APPLY TO PROPERTY THAT IS PLACED IN SERVICE BY A MANUFACTURING ENTITY ON OR AFTER JANUARY 1, 2019;

SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 2017.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after June 30, 2017.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall be applicable to all taxable years beginning after December 31, 2018.

SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect
June 1, 2017.”.