

HOUSE BILL 819

Q3

9lr1810

By: **St. Mary's County Delegation**

Introduced and read first time: February 8, 2019

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **St. Mary's County – County Income Tax – Credit for Employees of Targeted**
3 **Businesses**

4 FOR the purpose of authorizing the governing body of St. Mary's County to allow, by law,
5 certain individuals employed by certain businesses to claim a tax credit up to a
6 certain amount against the county income tax; providing that the tax credit is
7 allowed against the county income tax only; prohibiting an individual from claiming
8 the tax credit for more than a certain number of years; authorizing the governing
9 body of St. Mary's County to provide for certain matters relating to the tax credit;
10 requiring the county to notify the Comptroller by a certain date if the tax credit is
11 authorized; defining a certain term; providing for the application of this Act; and
12 generally relating to an income tax credit in St. Mary's County for employees of a
13 targeted business entity.

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–706
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2018 Supplement)

19 BY adding to
20 Article – Tax – General
21 Section 10–749
22 Annotated Code of Maryland
23 (2016 Replacement Volume and 2018 Supplement)

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

26 **Article – Tax – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 10-706.

2 (a) Except as otherwise provided in this section, a credit allowed under this
3 subtitle is allowed against the State income tax only.

4 (b) A credit under § 10-701 of this subtitle is allowed against the total county and
5 State income taxes.

6 (c) (1) A credit allowed under § 10-704(a)(1) or § 10-709(b)(1) of this subtitle
7 is allowed against the State income tax only.

8 (2) A credit allowed under § 10-704(a)(2) [or], § 10-709(b)(2), OR § 10-749
9 of this subtitle is allowed against the county income tax only.

10 **10-749.**

11 (A) IN THIS SECTION, "TARGETED BUSINESS ENTITY" MEANS A NEW OR
12 EXPANDING FOR-PROFIT, PRIVATELY HELD COMPANY IN ST. MARY'S COUNTY THAT
13 OPERATES IN AN INDUSTRY TARGETED FOR EXPANSION BY THE COUNTY IN ITS
14 STRATEGIC PLAN FOR AN INNOVATION-DRIVEN ECONOMY.

15 (B) (1) THE GOVERNING BODY OF ST. MARY'S COUNTY MAY ALLOW, BY
16 LAW, AN INDIVIDUAL TO CLAIM A TAX CREDIT AGAINST THE INCOME TAX OF ST.
17 MARY'S COUNTY IN AN AMOUNT UP TO \$1,000 IF THE INDIVIDUAL IS AN EMPLOYEE
18 OF A TARGETED BUSINESS ENTITY DURING THE TAXABLE YEAR.

19 (2) THE INCOME TAX CREDIT AUTHORIZED UNDER PARAGRAPH (1)
20 OF THIS SUBSECTION MAY NOT BE CLAIMED FOR MORE THAN 7 CONSECUTIVE
21 TAXABLE YEARS.

22 (C) THE GOVERNING BODY OF ST. MARY'S COUNTY MAY PROVIDE, BY LAW,
23 FOR:

24 (1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE AMOUNT AND
25 DURATION OF THE COUNTY INCOME TAX CREDIT UNDER THIS SECTION;

26 (2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT;

27 (3) THE REFUNDABILITY OF THE TAX CREDIT; AND

28 (4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX
29 CREDIT UNDER THIS SECTION.

30 (D) IF THE GOVERNING BODY OF ST. MARY'S COUNTY AUTHORIZES THE TAX

1 CREDIT UNDER THIS SECTION, ON OR BEFORE JULY 1 BEFORE THE BEGINNING OF
2 THE FIRST TAXABLE YEAR FOR WHICH THE CREDIT WILL APPLY, THE COUNTY SHALL
3 NOTIFY THE COMPTROLLER OF THE COUNTY INCOME TAX CREDIT.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2019, and shall be applicable to all taxable years beginning after December 31, 2018.