

Chapter 22

(House Bill 278 of the 2021 Regular Session)

AN ACT concerning

Economic Development – Job Creation Tax Credit – Qualified Position and Revitalization Area

FOR the purpose of altering the definition of “qualified position” for purposes of eligibility under the job creation tax credit program; altering the definition of “revitalization area” to include a certain Tier I county for purposes of the program; providing for the application of this Act; and generally relating to the job creation tax credit program.

BY repealing and reenacting, without amendments,
Article – Economic Development
Section ~~6-301(a) and 6-303(b)(1)~~, 6-303(b)(1), and 6-304(b)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 6-301(d)(1) and (e)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

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

Article – Economic Development

6-301.

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

(d) (1) “Qualified position” means:

(1) IF THE POSITION IS FILLED BEFORE OCTOBER 1, 2021, a position that:

[(i)] 1. is full-time and of indefinite duration;

[(ii)] 2. pays at least 120% of the State minimum wage;

[(iii)] 3. is located in the State;

~~[(iv)]~~ 4. is newly created as a result of the establishment or expansion of a business facility in a single location in the State; and

~~[(v)]~~ 5. is filled; AND

~~(i)~~ is full-time and of indefinite duration;

~~(ii)~~ pays at least [120%];

~~[(II)]~~ IF THE POSITION IS FILLED ON OR AFTER OCTOBER 1, 2021, A POSITION THAT:

1. IS FULL-TIME AND OF INDEFINITE DURATION;

2. PAYS AT LEAST:

~~1.~~ A. FOR AN EMPLOYEE CLASSIFICATION FOR WHICH THERE IS A PREVAILING WAGE RATE, AS DEFINED UNDER § 17-201 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE PREVAILING WAGE; OR

~~2.~~ B. FOR ANY OTHER EMPLOYEE CLASSIFICATION, 150% OF THE STATE MINIMUM WAGE; ~~of the State minimum wage;~~

~~(iii)~~ is located in the State;

3. IS LOCATED IN THE STATE;

~~(iv)~~ 4. PROVIDES CAREER ADVANCEMENT TRAINING;

~~(v)~~ 5. AFFORDS THE EMPLOYEE THE RIGHT TO COLLECTIVELY BARGAIN FOR WAGES AND BENEFITS;

~~(vi)~~ 6. PROVIDES ~~FAIR SCHEDULING AND~~ PAID LEAVE;

~~(vii)~~ 7. IS CONSIDERED COVERED EMPLOYMENT FOR PURPOSES OF UNEMPLOYMENT INSURANCE BENEFITS IN ACCORDANCE WITH TITLE 8 OF THE LABOR AND EMPLOYMENT ARTICLE;

~~(viii)~~ 8. ENTITLES THE EMPLOYEE TO WORKERS' COMPENSATION BENEFITS IN ACCORDANCE WITH TITLE 9 OF THE LABOR AND EMPLOYMENT ARTICLE;

~~(ix)~~ **9. OFFERS EMPLOYER-PROVIDED HEALTH INSURANCE BENEFITS WITH AFFORDABLE DEDUCTIBLES AND COPAYMENTS MONTHLY PREMIUMS THAT DO NOT EXCEED 8.5% OF THE EMPLOYEE'S NET MONTHLY EARNINGS;**

~~(x)~~ **10. OFFERS RETIREMENT BENEFITS;**

~~[(iv)] (xi) is newly created as a result of the establishment or expansion of a business facility in a single location in the State; and~~

~~[(v)] (xii) is filled.~~

11. IS NEWLY CREATED AS A RESULT OF THE ESTABLISHMENT OR EXPANSION OF A BUSINESS FACILITY IN A SINGLE LOCATION IN THE STATE; AND

12. IS FILLED.

(e) “Revitalization area” means:

(1) an enterprise zone designated by the Secretary under § 5-704 of this article;

(2) an enterprise zone designated by the United States government under 42 U.S.C. §§ 11501 through 11505;

(3) an empowerment zone or enterprise community designated by the United States government under 26 U.S.C. §§ 1391 through 1397F; [or]

(4) a sustainable community, as defined in § 6-301 of the Housing and Community Development Article; OR

(5) A TIER I COUNTY.

6-303.

(b) To be eligible for a tax credit under this subtitle, a person shall establish or expand a business facility in the State that:

(1) during any 24-month period creates at least:

(i) 60 qualified positions;

(ii) 25 qualified positions if the business facility established or expanded is located in a State priority funding area; or

(iii) 10 qualified positions in a county with:

1. an annual average employment that is less than 75,000;

or

2. a median household income that is less than two-thirds of the statewide median household income; and

6-304.

(b) (1) Except as provided in this section, the credit earned under this section:

(i) for qualified employees working in a facility not located in a revitalization area, is \$3,000 multiplied by the number of qualified employees employed by the qualified business entity during the credit year; and

(ii) for qualified employees working in a facility located in a revitalization area, is \$5,000 multiplied by the number of qualified employees employed by the qualified business entity during the credit year.

(2) The credit earned by a qualified business entity under this subtitle may not exceed \$1,000,000 for any credit year.

(3) The total amount of credits certified by the Department for qualified business entities in a taxable year may not exceed \$4,000,000.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021, and shall be applicable to job creation tax credits certified after December 31, 2020.

Gubernatorial Veto Override, December 6, 2021.