

HOUSE BILL 540

Q3

3lr1571

By: **Delegates Vogel, Foley, Fair, Grossman, D. Jones, Lehman, and Wells**

Introduced and read first time: February 1, 2023

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Local Advertisement Tax Credit**

3 FOR the purpose of allowing certain small and medium–sized businesses to claim a credit
4 against the State income tax for certain costs incurred during the taxable year for
5 certain advertising activities, subject to certain limitations; and generally relating
6 to an income tax credit for small and medium–sized businesses for advertising costs.

7 BY adding to

8 Article – Tax – General

9 Section 10–757

10 Annotated Code of Maryland

11 (2022 Replacement Volume)

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

14 **Article – Tax – General**

15 **10–757.**

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

18 (2) (I) “NEWS MEDIA ENTITY” MEANS AN ENTITY ENGAGED
19 PRIMARILY IN THE BUSINESS OF NEWSGATHERING, REPORTING, OR PUBLISHING
20 ARTICLES OR COMMENTARY ABOUT NEWS, CURRENT EVENTS, CULTURE, OR OTHER
21 MATTERS OF PUBLIC INTEREST.

22 (II) “NEWS MEDIA ENTITY” DOES NOT INCLUDE AN ENTITY THAT
23 IS PRIMARILY AN AGGREGATOR OR REPUBLISHER OF THIRD–PARTY CONTENT.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(3) “SMALL OR MEDIUM-SIZED BUSINESS” MEANS A BUSINESS WITH**
2 **FEWER THAN 50 EMPLOYEES.**

3 **(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION AND EXCEPT AS**
4 **PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, FOR EACH TAXABLE YEAR, A**
5 **SMALL OR MEDIUM-SIZED BUSINESS MAY CLAIM A CREDIT AGAINST THE STATE**
6 **INCOME TAX FOR COSTS INCURRED DURING THE TAXABLE YEAR FOR ADVERTISING**
7 **THROUGH A NEWS MEDIA ENTITY BASED WITHIN THE STATE, IN AN AMOUNT UP TO:**

8 **(I) \$1,000 FOR THE FIRST TAXABLE YEAR THAT THE BUSINESS**
9 **CLAIMS THE CREDIT; AND**

10 **(II) \$500 FOR EACH SUBSEQUENT TAXABLE YEAR THAT THE**
11 **BUSINESS CLAIMS THE CREDIT.**

12 **(2) A BUSINESS MAY NOT CLAIM A CREDIT UNDER THIS SECTION FOR**
13 **MORE THAN 5 TAXABLE YEARS.**

14 **(C) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS**
15 **SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX FOR**
16 **THAT TAXABLE YEAR.**

17 **(2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR**
18 **MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.**

19 **(D) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT THE**
20 **PROVISIONS OF THIS SECTION.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2023, and shall be applicable to all taxable years beginning after December 31, 2022.