

HOUSE BILL 1446

Q3, C8

5lr2260

By: **Delegate Amprey**

Introduced and read first time: February 7, 2025

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Businesses Relocating From Another State**
3 **(Come to Maryland Act)**

4 FOR the purpose of allowing, for certain taxable years, a credit against the State income
5 tax for a certain qualified business entity that relocates its headquarters and base of
6 operations from another state to Maryland under certain circumstances; requiring
7 the Department of Commerce to administer the tax credit; allowing a qualified
8 business entity to carry over any excess credit to the next taxable year; establishing
9 the Business Relocation Council to advertise the tax credit allowed under this Act;
10 and generally relating to a credit against the State income tax for relocating business
11 headquarters and bases of operation from other states.

12 BY adding to
13 Article – Tax – General
14 Section 10–758
15 Annotated Code of Maryland
16 (2022 Replacement Volume and 2024 Supplement)

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

19 **Article – Tax – General**

20 **10–758.**

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

23 **(2) “DEPARTMENT” MEANS THE DEPARTMENT OF COMMERCE.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(3) “QUALIFIED BUSINESS ENTITY” MEANS A BUSINESS ENTITY THAT**
2 **MAINTAINS ITS HEADQUARTERS AND BASE OF OPERATIONS IN ANOTHER STATE.**

3 **(4) “SECRETARY” MEANS THE SECRETARY OF COMMERCE.**

4 **(B) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2024, BUT**
5 **BEFORE JANUARY 1, 2030, A QUALIFIED BUSINESS ENTITY MAY CLAIM A CREDIT**
6 **AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO THE AMOUNT STATED IN**
7 **THE TAX CREDIT CERTIFICATE APPROVED BY THE SECRETARY FOR RELOCATING TO**
8 **THE STATE.**

9 **(C) TO BE ELIGIBLE FOR A TAX CREDIT UNDER THIS SECTION, A QUALIFIED**
10 **BUSINESS ENTITY SHALL SUBMIT TO THE DEPARTMENT AN APPLICATION THAT**
11 **DEMONSTRATES:**

12 **(1) THAT THE QUALIFIED BUSINESS ENTITY’S HOME STATE, THROUGH**
13 **OFFICIAL STATE ACTION, HAS ADOPTED A NEW PUBLIC POLICY POSITION THAT:**

14 **(I) POSES A POSSIBLE HUMANITARIAN CRISIS BASED ON**
15 **POLITICAL OR PERSONAL BELIEFS FOR THE RESIDENTS OF THE QUALIFIED**
16 **BUSINESS ENTITY’S HOME STATE;**

17 **(II) ADVERSELY AFFECTS OR THREATENS THE ECONOMIC OR**
18 **SOCIAL LIVELIHOOD AND WELL-BEING OF THE QUALIFIED BUSINESS ENTITY’S**
19 **EMPLOYEES AND THEIR FAMILIES; AND**

20 **(III) ADVERSELY AFFECTS OR THREATENS THE QUALIFIED**
21 **BUSINESS ENTITY REGARDING WORK THAT THE QUALIFIED BUSINESS ENTITY**
22 **PERFORMS TO SPECIFICALLY ASSIST UNDERSERVED OR HISTORICALLY**
23 **UNDERREPRESENTED COMMUNITIES AND OTHER SIMILARLY SITUATED GROUPS;**
24 **AND**

25 **(2) THAT THE QUALIFIED BUSINESS ENTITY:**

26 **(I) IS RECEIVING A FINANCIAL INCENTIVE IN ITS HOME STATE,**
27 **SUCH AS AN INCOME TAX CREDIT, A GRANT, A LOW INTEREST LOAN, OR OTHER**
28 **SIMILAR INCENTIVE;**

29 **(II) INTENDS TO RELOCATE IMMEDIATELY OR HAS RECENTLY**
30 **RELOCATED ITS HEADQUARTERS AND BASE OF OPERATIONS TO THE STATE AS A**
31 **RESULT OF THE SITUATION DESCRIBED IN ITEM (1) OF THIS SUBSECTION; AND**

1 **(III) IS COMMITTED TO MAINTAINING ITS HEADQUARTERS AND**
2 **BASE OF OPERATIONS IN THE STATE FOR AT LEAST 2 YEARS AFTER THE DATE THAT**
3 **THE QUALIFIED BUSINESS ENTITY RELOCATES OR SUBMITS THE APPLICATION FOR**
4 **THE TAX CREDIT, WHICHEVER OCCURS LATER.**

5 **(D) WHEN REVIEWING AN APPLICATION UNDER SUBSECTION (C) OF THIS**
6 **SECTION, THE DEPARTMENT SHALL:**

7 **(1) ESTABLISH A DEADLINE BY WHICH A QUALIFIED BUSINESS ENTITY**
8 **THAT INTENDS TO RELOCATE TO THE STATE MUST COMPLETE THE RELOCATION;**

9 **(2) DETERMINE WHETHER THE QUALIFIED BUSINESS ENTITY IS**
10 **RECEIVING OR WAS RECEIVING IMMEDIATELY BEFORE RELOCATING TO THE STATE**
11 **ANY FINANCIAL INCENTIVES IN ITS HOME STATE; AND**

12 **(3) SUBJECT TO SUBSECTION (E)(1) OF THIS SECTION AND ANY**
13 **OTHER REQUIREMENTS ESTABLISHED BY THE DEPARTMENT, ISSUE A TAX CREDIT**
14 **CERTIFICATE IN AN AMOUNT THAT, TO THE EXTENT PRACTICABLE, IS COMPARABLE**
15 **TO THE FINANCIAL INCENTIVES DESCRIBED UNDER ITEM (2) OF THIS SUBSECTION.**

16 **(E) THE SECRETARY SHALL:**

17 **(1) ANNUALLY SET A LIMITATION ON THE AGGREGATE AMOUNT OF**
18 **TAX CREDIT CERTIFICATES THAT MAY BE ISSUED UNDER THIS SECTION; AND**

19 **(2) ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

20 **(F) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**
21 **EXCEEDS THE QUALIFIED BUSINESS ENTITY'S STATE INCOME TAX FOR THAT**
22 **TAXABLE YEAR, ANY UNUSED CREDIT AMOUNT MAY BE CARRIED FORWARD TO THE**
23 **IMMEDIATELY FOLLOWING TAXABLE YEAR.**

24 **(G) (1) THE DEPARTMENT MAY REVOKE ITS CERTIFICATION OF A CREDIT**
25 **UNDER THIS SECTION, IN WHOLE OR IN PART, IF:**

26 **(I) ANY REPRESENTATION IN CONNECTION WITH THE**
27 **APPLICATION FOR THE CERTIFICATION IS DETERMINED BY THE DEPARTMENT TO**
28 **HAVE BEEN FALSE WHEN MADE; OR**

29 **(II) THE QUALIFIED BUSINESS ENTITY FAILS TO RELOCATE TO**
30 **THE STATE AS INDICATED.**

1 **(2) THE COMPTROLLER MAY MAKE AN ASSESSMENT AGAINST THE**
2 **QUALIFIED BUSINESS ENTITY TO RECAPTURE ANY AMOUNT OF THE TAX CREDIT**
3 **THAT THE BUSINESS HAS CLAIMED.**

4 **(H) ON OR BEFORE DECEMBER 1, 2028, THE SECRETARY SHALL REPORT TO**
5 **THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT**
6 **ARTICLE, THE GENERAL ASSEMBLY ON THE TAX CREDIT CERTIFICATES ISSUED**
7 **UNDER THIS SECTION AND THE STATUS OF ANY QUALIFIED BUSINESS ENTITY THAT**
8 **RECEIVED A CREDIT.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That:

10 (a) There is a Business Relocation Council.

11 (b) The Council consists of the following members:

12 (1) the Secretary of Commerce, or the Secretary's designee;

13 (2) the Comptroller, or the Comptroller's designee; and

14 (3) the Secretary of Labor, or the Secretary's designee.

15 (c) The Secretary of Commerce, or the Secretary's designee, shall be the chair of
16 the Council.

17 (d) The Department of Commerce shall provide staff for the Council.

18 (e) A member of the Council:

19 (1) may not receive compensation as a member of the Council; but

20 (2) is entitled to reimbursement for expenses under the Standard State
21 Travel Regulations, as provided in the State budget.

22 (f) The Council shall:

23 (1) advertise the income tax credit established under § 10-758 of the
24 Tax – General Article, as enacted by Section 1 of this Act, to other states nationwide; and

25 (2) establish, as necessary, subcommittees consisting of members of the
26 Council, experts in fields related to business relocation issues, and interested parties to
27 address or study specific issues pertaining to the Council's duties.

28 (g) On or before December 31, 2028, the Council shall report on its efforts to the
29 Governor and, in accordance with § 2-1257 of the State Government Article, the General
30 Assembly.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2025, and shall be applicable to all taxable years beginning after December 31, 2024, but
3 before January 1, 2030. It shall remain effective for a period of 5 years and, at the end of
4 June 30, 2030, this Act, with no further action required by the General Assembly, shall be
5 abrogated and of no further force and effect.