

Chapter 19

(Senate Bill 440)

AN ACT concerning

Income Tax – Theatrical Production Tax Credit – Alterations and Sunset Extension

FOR the purpose of ~~extending the termination date~~ limiting the excess amount of tax credit certificates that the Department of Commerce may carry forward and issue in subsequent taxable years for a credit against the State income tax for certain costs related to certain theatrical productions in the State; extending the termination date of the credit; and generally relating to the income tax credit for theatrical productions.

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10–756(a)(1), (6), and (7) and (b)

Annotated Code of Maryland

(2022 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10–756(f)

Annotated Code of Maryland

(2022 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Chapter 258 of the Acts of the General Assembly of 2022

Section 2

BY repealing and reenacting, with amendments,

Chapter 259 of the Acts of the General Assembly of 2022

Section 2

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

Article – Tax – General

10–756.

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

(6) “Qualified theatrical production facility” means a facility located in the State in which a theatrical production is performed.

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

(b) (1) A qualified theatrical production entity may claim a credit against the State income tax for theatrical production activities in the State in an amount equal to the amount stated in the tax credit certificate approved by the Secretary for a theatrical production.

(2) If the tax credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the qualified theatrical production entity for that taxable year, the qualified theatrical production entity may claim a refund in the amount of the excess.

(f) (1) Except as provided in paragraph (2) of this subsection, the Secretary may not issue tax credit certificates for credit amounts in the aggregate totaling more than \$5,000,000 in any fiscal year.

(2) [If] SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION, IF the aggregate credit amounts under the tax credit certificates issued by the Secretary total less than the maximum provided under paragraph (1) of this subsection in any fiscal year, any excess amount may be carried forward and issued under tax credit certificates in a subsequent fiscal year.

(3) **THE AGGREGATE AMOUNT CARRIED FORWARD FROM ALL PRIOR FISCAL YEARS IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED \$20,000,000.**

(4) The Secretary may not issue tax credit certificates for credit amounts totaling more than \$2,000,000 in the aggregate for a single theatrical production.

Chapter 258 of the Acts of 2022

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021, but before January 1, [2027] **2032**. It shall remain effective for a period of [5] **10** years and, at the end of June 30, [2027] **2032**, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Chapter 259 of the Acts of 2022

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021, but before January 1, [2027] **2032**. It shall remain effective for a period of [5] **10** years and, at the end of June 30, [2027] **2032**, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved by the Governor, April 14, 2026.