

SENATE BILL 440

Q3

(6lr2131)

ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by ~~Senator Guzzone~~ Senators Guzzone, Bailey, Corderman, Hettleman, King, McCray, and Salling

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Theatrical Production Tax Credit – *Alterations and* Sunset**
3 **Extension**

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

10 *BY repealing and reenacting, without amendments,*

11 *Article – Tax – General*

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

13 *Annotated Code of Maryland*

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 (2022 Replacement Volume and 2025 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article – Tax – General

4 Section 10–756(f)

5 Annotated Code of Maryland

6 (2022 Replacement Volume and 2025 Supplement)

7 BY repealing and reenacting, with amendments,

8 Chapter 258 of the Acts of the General Assembly of 2022

9 Section 2

10 BY repealing and reenacting, with amendments,

11 Chapter 259 of the Acts of the General Assembly of 2022

12 Section 2

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

15 **Article – Tax – General**

16 10–756.

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

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

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

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

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

29 (f) (1) Except as provided in paragraph (2) of this subsection, the Secretary
30 may not issue tax credit certificates for credit amounts in the aggregate totaling more than
31 \$5,000,000 in any fiscal year.

32 (2) [If] SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS
33 SUBSECTION, IF the aggregate credit amounts under the tax credit certificates issued by the
34 Secretary total less than the maximum provided under paragraph (1) of this subsection in

1 any fiscal year, any excess amount may be carried forward and issued under tax credit
 2 certificates in a subsequent fiscal year.

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

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

8 **Chapter 258 of the Acts of 2022**

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

14 **Chapter 259 of the Acts of 2022**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 16 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021, but
 17 before January 1, [2027] **2032**. It shall remain effective for a period of [5] **10** years and, at
 18 the end of June 30, [2027] **2032**, this Act, with no further action required by the General
 19 Assembly, shall be abrogated and of no further force and effect.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 21 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.