



THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3700
County Council

POSITION STATEMENT

HB 540 State Income and Property Tax Credits - Purple Line
Delegates Wilkins, et. all Construction Zone
Ways & Means
Committee

POSITION:

SUPPORT

HB 540 – State Income and Property Tax Credits - Purple Line Construction Zone – FOR the purpose of allowing certain qualified businesses impacted by the construction of the Purple Line light rail project in Montgomery County and Prince George's County a credit against the State income tax and State property tax; requiring the Department of Transportation to determine the eligible amount of the income tax credit; making the income tax credit refundable; requiring the Department to administer the income tax credit; requiring the Department to make determinations and implement processes relevant to certifying qualified businesses; etc.

The Purple Line is 16-mile light rail line that will extend from Bethesda in Montgomery County to New Carrollton in Prince George's County. The Purple Line promotes smart growth while creating jobs and decreasing environmental impact, and it is one of the most important additions to the Maryland public transit network and our state and regional economy.

With the major investment that the state has made in moving the Purple Line forward, a critical measure of our success is that we ensure that businesses are able to thrive during construction and benefit from the project in the long run. Small and minority businesses are especially susceptible to the challenging impacts of the project construction. This impact on small and minority-owned businesses is of great concern to Prince George's County.

The refundable income tax credit equal to the amount of business income lost during the taxable year as a result of the Purple Line construction in addition to the property tax credit against state property tax imposed on real property is critical to helping businesses to thrive during construction. Passing this legislation will help avoid the closure of businesses during the four-year construction cycle.

For the foregoing reasons, the Prince George's County Council **SUPPORTS HB 540** and respectfully requests your favorable consideration of this legislation.

Prepared by: LA PEREZ CONSULTING
On behalf of Prince George's County Council