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Environment and Transportation Committee



The Maryland House of Delegates  
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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

March 3, 2020  
House of Delegates – Ways and Means  
**House Bill 1301 - Property Tax Credit - Opportunity Zone Property Improvements**

**Position: Favorable**

Madam Chair and Members of the Committee:

House Bill 1301 provides an avenue for more individuals living in opportunity zones to participate directly in development. This bill authorizes local governments to grant a property tax credit for the eligible assessment of qualified opportunity zone property if the taxpayer has invested at least \$100,000 (including acquisition costs and improvements) in the qualified opportunity zone property. The tax credit amount is based on the increased value of the qualified opportunity zone property resulting from the improvements made to the property. In the first taxable year, the tax credit equals 100% of the property tax resulting from the improvements. In the second through sixth taxable years, the tax credit equals 10% of the property tax resulting from the improvements.

The capital gains requirement, unlike the federal program, is not required here. This means that investors and developers without access to capital gains, but have access to capital, can directly support development in opportunity zones. This is important because local developers often have more connection to the community and the needs of the community. This helps ensure additional capital is leveraged in designated opportunity zones. It's important more than ever that we double down on development in opportunity zones to improve communities. Now more than ever, as we make a historic investment in our children's future through implementing the Kirwan recommendations, we must continue to advance efforts to create healthy communities of opportunity for those very children and families.

With this, I would ask for a favorable report and that my panel be able to provide you with additional information

Delegate Melissa Wells