



TESTIMONY PRESENTED TO THE SENATE BUDGET & TAXATION COMMITTEE

SENATE BILL 659 - HISTORIC REVITALIZATION TAX CREDIT –
SMALL COMMERCIAL PROJECTS - ALTERATIONS

Sponsor – Senator Guzzone

February 17, 2021

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 659, which increases the maximum aggregate amount of initial tax credit certificates that the Director of the Maryland Historic Trust may issue from \$4 million to \$5 million. Since projects eligible to receive credits under the program are small, with a maximum of \$500,000 in qualified rehabilitation expenditures, this change will allow more small commercial projects to benefit from the credit.

The Historic Revitalization Tax credit has been extremely effective as an incentive for property owners to rehabilitate aging structures. Unfortunately, in recent years, the demand for these tax credits has far exceeded the supply. To note, the following notice appears on the Maryland Historic Trust’s web page:

“The legislation creating the Small Commercial Tax Credit program authorized MHT to issue Initial Credit Certificates for projects in an amount not to exceed 4 million dollars in tax credits.

MHT is currently in receipt of and processing applications that, if approved, would result in the program being fully subscribed. Please note that all applications are being processed in the order in which they were received and that once all funds have been fully obligated MHT will cease accepting new applications.”

Raising the limit from \$4 million to \$5 million will allow many additional projects to receive tax credits through the program, creating more economic activity as businesses struggle during the current economic crisis.

In addition, this bill is consistent with one of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Strategic and effective investments in business growth. The State must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investments in industry growth.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 659.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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