

HB5: The Need for a Maryland New Markets Tax Credit Program

A proven program helping rural and distressed communities

Maryland NMTC Program

To unlock private investment and accelerate revitalization in Maryland’s most distressed urban and rural communities, we propose the establishment of a Maryland New Markets Tax Credit (MD NMTC) program. This program would mirror the proven structure of the federal NMTC. Since 2007, 18 states have created or renewed state New Markets Tax Credit (“NMTC”), Rural Jobs, and other similar programs 58 times, generating over \$8.3 billion in private investment in those states.: AL, AR, FL, IL, KY, LA, ME, MS, MO, NE, NV, OH, OR, and UT.

Why This Matters for Maryland

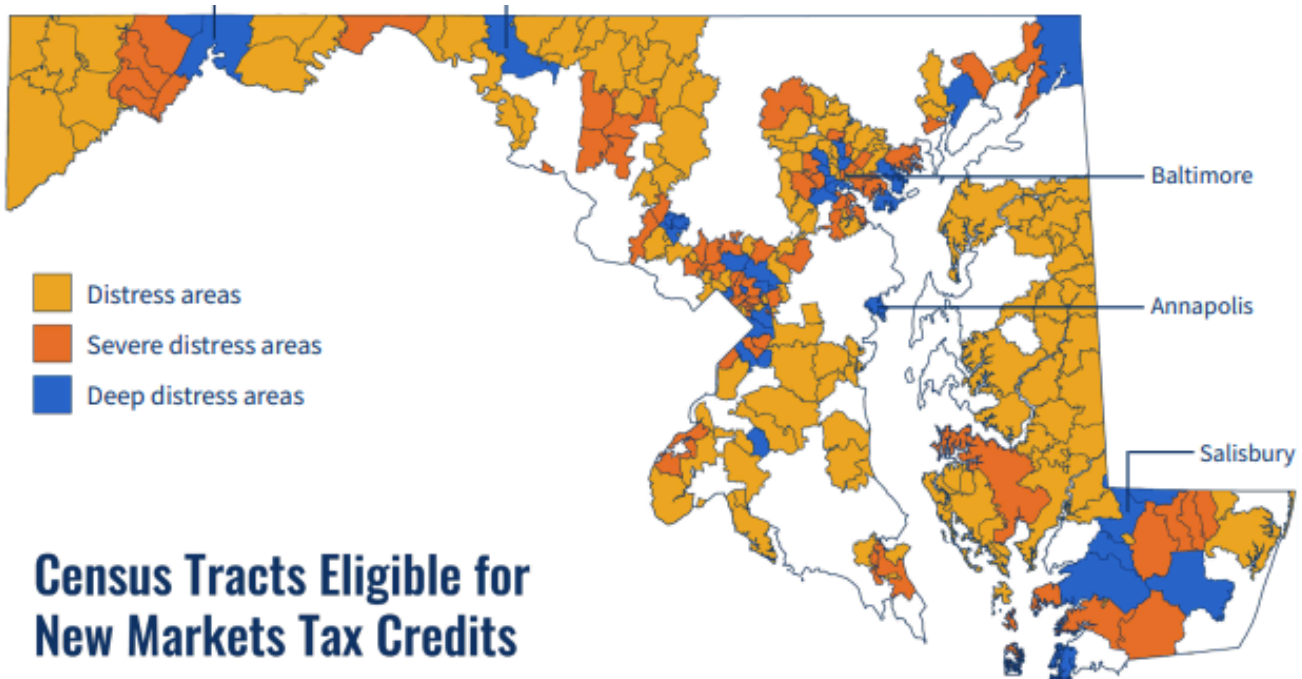
Through the federal NMTC, Maryland has received \$1.3 billion in investment, financed 130 projects, and created 15,200 permanent full-time jobs since 2003. However, on a per-capita basis, the state ranks around 20th nationally in attracting NMTC capital. This ranking does not reflect a lack of need or opportunity. Instead it reflects the increasingly competitive environment among states for federal NMTC allocations. States with complementary programs consistently capture a greater share of federal and private investment.

House Bill 5

House Bill 5 builds on a proven federal model, reflects best practices used by other states, and addresses a clear gap in Maryland’s economic development toolkit and will drive \$75 million of private investment in qualified areas every two years. It leverages private capital, includes strong accountability, and positions Maryland to capture greater long-term investment for its communities. House Bill 5 is a practical, responsible step to strengthen Maryland’s economy—now and for the future.

MD NMTC-Eligible Census Tracts

The map below depicts the areas across Maryland that are NMTC eligible census tracts.



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Meeting the Financing Need for Maryland Small Businesses

How it Works

1 Application

Experienced investors and certified Community Development Entities (CDEs) under the US Treasury Department apply to the Maryland DHDC to participate.

2 Approval

Once approved, fund managers raise all capital from private investors.

3 Rapid Deployment

Fund managers work with local banks and economic developers to find small businesses in need of capital and invest all capital within 12 months or the tax credits are recaptured.

4 Eligible Businesses

Qualified small businesses can receive up to \$7.5 million per business or up to \$15 million per business plus affiliate. Eligible businesses are for-profit and have principal business operations in Maryland located in low-income communities.

5 Sustained Investment

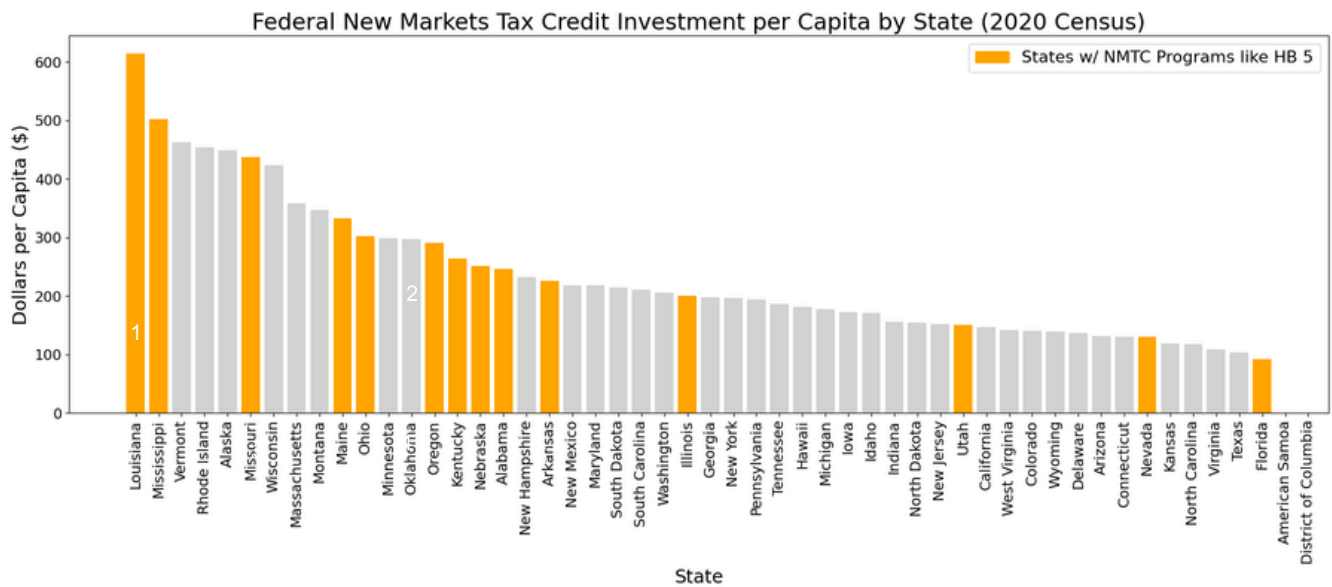
Capital must remain invested in MD small businesses for at least 6 years or credits are recaptured.

6 Delayed Credit

No state cost in years 1, 2, and 3 of the program, \$9.375 million in tax credits annually in years 4, 5, and 6, and 7. No more than \$18.5 million can be redeemed in any year.

Impact and Results

The chart below depicts the amount of investment per capita in states that have similarly modeled state NMTC programs compared to states without them. Of the 14 states with state programs, 9 have increased their per capita rank since adoption. Mississippi who has had a program since 2007 has moved from 39th to 2nd.



Return on Investment of NMTC Programs

Independent evaluations consistently show a strong return on investment for states, including the creation and retention of jobs and revitalizing communities.

Louisiana:

ROI of 2.06:1 – For every \$1 in credits, \$2.06 in tax revenue is generated. (Source: Economic Impact Group, 2025)

Maine:

\$250M program created 1,424 direct and 1,339 indirect jobs; generated over \$20 in Gross State Product per \$1 in credits. (Source: Finance Authority of Maine, Jan 2025)

Illinois:

\$246.4 million invested with 3,894 jobs supported in 60 companies across the state since 2009.

Nebraska:

79 projects financed resulting in 9,183 permanent FTE jobs and 32 manufacturing and industrial businesses supported.

Federal NMTC:

Generates \$8 in private investment for every \$1 in tax credit. (Source: CDFI Fund NMTC Award Book, CY2020)



Commercial Specialty Truck Holdings

Cement and Refuse Truck Manufacturer | Cynthiana, KY

Impact

CSTH is growing the local workforce by **providing high wage, low barrier jobs**—available to those with a high school degree or equivalent—and developing targeting hiring programs through local schools.

The company offers specialized training opportunities to enhance employees' skills, **strengthening the local labor pool and helping close the skills gap.**

Employees earn an average of \$20/hr, **2x the living wage** for Harrison County.

CSTH invests in its employees' financial security and future by offering a **strong benefits package, including health insurance and retirement plan options.**

Community Insights

14.7% Poverty Rate ¹
2.5% Unemployment Rate ²

Company Overview

Formed with the consolidation of truck manufacturers E-Z Pack and Continental Mixing, Commercial Specialty Truck Holdings (CSTH) now manufactures high-quality products for thready-mix concrete and refuse industries.

Need

The company was seeking capital investment to turn around E-Z Pack and Continental Mixing.

Result

The investment, made in connection with the federal New Markets Tax Credit program, enabled the company to save a significant number of E-Z Pack jobs and reinvest in the business to support continued growth.

\$2.9 Million

DEBT INVESTMENT

278

JOBS SUPPORTED



MedRhythms

Medical Technology | Portland, ME

Impact

MedRhythms created new jobs in a highly distressed census tract of Portland.

The company's product improves the quality of life and health for patients suffering from chronic strokes.

The company is active in the Portland community through its participation in the FocusMaine internship program, partnership with the Roux Institute, and membership in BioME.

Community Insights

11.2% PovertyRate¹

2.5% Unemployment Rate²

\$5.6 M

Equity
Investment

18

Jobs
Created

18

Jobs
Retained

Company Overview

MedRhythms is the developer of a digital therapeutics platform utilizing sensors, software, and music to deliver rhythmic auditory stimulation (RAS) therapy, the gold standard for chronic stroke care, to chronic stroke survivors.

Need

As a pre-revenue company, MedRhythms sought financing to support their growth strategy.

Result

The investment, made in connection with the federal and Maine New Markets Tax Credit programs, enabled the company to fund launch planning, establish commercialization infrastructure, and prepare for device launch.

¹Source: 2023 Census Bureau

²Source: 2025 U.S. Bureau of Labor Statistics



JSI Store Fixtures

Manufacturer | Milo, ME

Impact

As one of Piscataquis County's largest employers, JSI plays a pivotal role in sustaining and expanding the local economy, creating stable, well-paying jobs that strengthen the community's economic foundation.

JSI prioritizes its workforce by offering comprehensive benefits—including health insurance and retirement plans.

The company provides robust training and skill-development programs that empower employees to advance their careers while enhancing the overall capability and resilience of the local labor market.

In collaboration with Charleston Correctional Facility, JSI provides inmates with real-world skills and pathways to long-term employment after release.

Community Insights

15% Poverty Rate¹

5% Unemployment Rate¹

\$35 Million 183

Debt
Investment

Jobs
Supported

Company Overview

JSI Store Fixtures is a leading designer and manufacturer of premium merchandising displays serving the supermarket industry nationwide. With a reputation for craftsmanship, innovation, and reliability, JSI helps retailers elevate product presentation and enhance the shopping experience.

Need

Facing a period of declining sales and significant cutbacks, JSI was at risk of layoffs and needed critical working capital to sustain operations and protect local jobs.

Result

Support from the federal and Maine New Markets Tax Credit programs provided vital capital that saved jobs, enabled growth, and ensured JSI's continued presence and impact in Milo following its acquisition by LSI Partners.

¹Source: CDFI Fund (2020 NMTC Data)



**Advantage
Capital** Growth Ready.

Merx Truck and Trailer

Truck Maintenance Company | Melrose Park, IL

Impact

Merx offers benefits for all employees, including 10 days PTO, health benefits, and retirement benefits with 4% 401k match.

The company provides highly accessible jobs along with providing training to all employees.

Merx intends to retain 15 current employees, and plans to add 20 additional jobs in Melrose, IL — a distressed community in Cook County,

\$4 Million

Loan

15

Jobs Supported

Company Overview

Merx Truck and Trailer is a privately-owned multi-site truck maintenance company equipped to handle a broad range of truck and fleet services.

Need

The company sought capital to refinance existing debt and provide working capital to fund a new contract.

Result

The investment, made in connection with the Illinois New Markets Development and federal New Markets Tax Credit programs, provided flexible capital to allow the company to fund its new contract and hire additional employees.

Community Insights

16 % Poverty Rate¹
4% Unemployment Rate¹

¹Source: CDFI Fund (2020 NMTC Data)

HTS Coating

Truck Maintenance Company | Madison, IL

Impact

HTS Coating offers competitive benefits for all employees, including 20 days PTO and health plans with full employer contributions.

The company provides highly accessible jobs along with providing training to all employees.

HTS Coating provides wealth-building opportunities to its employees—including 401k match along with 10% of the company's net income annually is shared with the employees.

Community Insights

27% Poverty Rate¹
13% Unemployment Rate¹

\$750,000

Loan

23

Jobs Supported

Company Overview

HTS Coating is a full-service thermal spray, grinding, machining, and welding facility specializing in the repair and overhaul of industrial machinery parts.

Need

The company sought capital to purchase new equipment to support increased demand.

Result

The investment, made in connection with the Illinois New Markets Development and federal New Markets Tax Credit programs, provided the patient capital the company needed to purchase new equipment and working capital to hire 10 additional employees, increase marketing efforts, and improve employee benefits and training.

¹Source: CDFI Fund (2020 NMTC Data)