

MD H 1284, Introduced

Maryland

SUMMARY: Provides that certain entities may not claim certain excess tax credits as a refund under the One Maryland Economic Development Tax Credit, Maryland Cybersecurity Investment Tax Credit, More Jobs for Marylanders, and the aerospace, electronics, or defense contract tax credit programs; authorizes qualified entities to apply excess tax credit to future years; repeals certain exemptions under the inheritance and sales and use taxes.

Legislative History and Analysis Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status 02/07/2020 INTRODUCED.

02/07/2020 To HOUSE Committee on WAYS AND MEANS. 02/10/2020 Hearing Scheduled 3/05 at 1:00 p.m.

session: Maryland 2020 Regular Session - 440th Session of the General Assembly cite: 2020 MD H 1284

Introduced February 7, 2020 Moon

HOUSE BILL 1284

By: Delegates Moon and Palakovich Carr Introduced and read first time: February 7, 2020
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

State Tax Credits, Exemptions, and Deductions - Alterations and Repeal (Tax Modernization Act)

FOR the purpose of repealing certain provisions allowing qualified business entities to claim a certain refund under the One Maryland Economic Development Tax Credit program under certain circumstances; authorizing a qualified business entity to carry forward, rather than claim a refund for, any excess tax credit under the aerospace, electronics, or defense contract tax credit program; repealing an exemption from the inheritance tax for property donated to certain nonprofit organizations and for certain property that is certain accrued income; repealing a certain discount that a licensed dealer or licensed special fuel seller is allowed to deduct under the motor fuel tax; repealing a provision of law that allows any amount of film production activity tax credits not issued in a fiscal year to be carried forward and issued in a subsequent fiscal year; limiting a certain tax credit for certain costs incurred to obtain federal security clearances by certain small businesses; authorizing a qualified investor to carry forward, rather than claim a refund for, any excess tax credit under the cybersecurity investment tax credit program; requiring

any excess amount appropriated to the Maryland Cybersecurity Investment Tax Credit Reserve Fund in a fiscal year to revert to the General Fund; altering eligibility for a certain tax credit for certain qualified vehicles; requiring any excess amount of tax credits not issued in a fiscal year under the More Jobs for Marylanders program to revert to the General Fund, rather than remaining in the More Jobs for Marylanders Tax Credit Reserve Fund; repealing certain sales and use tax exemptions for sales relating to vending machine snack foods, the production of concrete and baked goods, precious metal bullion or coins, the right to occupy certain corporate lodging facilities as a transient guest, and certain warehousing equipment used in a target redevelopment area; altering a certain exemption from the tobacco tax for tobacco brought into the State by certain consumers; repealing an obsolete provision; making conforming changes; and generally relating to credits, exemptions, and deductions under the State income, inheritance, motor fuel, sales and use, and tobacco taxes.

BY repealing and reenacting, with amendments, Article - Economic Development

Section 6-403(e) and 6-703(c)

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement) BY repealing and reenacting, without amendments, Article - Economic Development

Section 6-703(b)

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement) BY repealing

Article - Tax - General

Section 7-203(j), 9-315, 11-206(g), 11-214.1, and 11-231

Annotated Code of Maryland

(2016 Replacement Volume and 2019 Supplement) BY repealing and reenacting, with amendments, Article - Tax - General

Section 7-203(e) and (k) through (m), 10-730(f), 10-732(a) through (d), 10-733(d) and (f)(3)(iii) and (4),

10-734.1(b), 10-741(b) and (d), 11-206(h), 11-210, 11-232, and 12-104(b)

Annotated Code of Maryland

(2016 Replacement Volume and 2019 Supplement) BY repealing and reenacting, without amendments, Article - Tax - General

Section 10-733(f)(1), (2), and (3)(i) and (ii) and 10-734.1(a)

Annotated Code of Maryland

(2016 Replacement Volume and 2019 Supplement)

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

***** TEXT OMITTED, DOES NOT PERTAIN TO FILM *****

10-730.

- (e) (1) ~~Except as provided in paragraph (2) of this subsection, the~~ **THE** Secretary may not issue tax credit certificates for credit amounts in the aggregate totaling more than:
- (i) for fiscal year 2014, \$25,000,000;
 - (ii) for fiscal year 2015, \$7,500,000;
 - (iii) for fiscal year 2016, \$7,500,000;
 - (iv) for fiscal year 2019, \$8,000,000; (v) for fiscal year 2020, \$11,000,000;
 - (vi) for fiscal year 2021, \$14,000,000;
 - (vii) for fiscal year 2022, \$17,000,000; and
 - (viii) for fiscal year 2023 and each fiscal year thereafter, \$20,000,000.
- (2) ~~If the aggregate credit amounts under the tax credit certificates issued by the Secretary total less than the maximum provided under paragraph (1) of this subsection in any fiscal year, any excess amount may be carried forward and issued under tax credit certificates in a subsequent fiscal year.~~
- ~~(3)~~ (3) The Secretary may not issue tax credit certificates for credit amounts totaling more than \$10,000,000 in the aggregate for a single film production activity.
- ~~(4)~~ (3) (i) For fiscal year 2019 and each fiscal year thereafter, the Secretary shall make 10% of the credit amount authorized under paragraph (1) of this subsection available for Maryland small or independent film entities.
- (ii) If the total amount of credits applied for by Maryland small or independent film entities is less than the amount made available under subparagraph (i) of this paragraph, the Secretary shall make available the unused amount of credits for use by qualified film production entities.

***** TEXT OMITTED, DOES NOT PERTAIN TO FILM *****

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020.