

# MD H 565, Introduced

Maryland

AN ACT concerning

Legislative History and Analysis Changes in Bill text reflected as:

~~Text Deleted~~

*Text Added*

~~Text Vetoed~~

session: Maryland 2020 Regular Session - 440th Session of the General Assembly cite: 2020 MD H 565

Introduced January 27, 2020 Kaiser

HOUSE BILL 565

By: Delegates Kaiser, Feldmark, Palakovich Carr, Washington, and Wilkins Introduced and read first time: January 27, 2020

Assigned to: Ways and Means A BILL ENTITLED

Income Tax - Business and Economic Development Tax Credits - Termination

FOR the purpose of prohibiting the Secretary of Commerce from designating or expanding certain enterprise zones and focus areas on or after a certain date; providing that the automatic designation of certain areas as enterprise zones applies only to areas designated on or before a certain date; prohibiting the Secretary from designating or renewing certain Regional Institution Strategic Enterprise zones on or after a certain date; providing for the termination of the One Maryland Economic Development Tax Credit Program on or after a certain date; providing for the application of certain enhancements offered under the Opportunity Zone Enhancement Program to certain taxable years and certain provisions relating to the enterprise zone program; prohibiting the Department of Commerce from issuing tax credit certificates to certain investors in certain biotechnology companies, to certain buyers of certain cybersecurity technology and services, and to certain small businesses that provide certain employer benefits to certain qualified employees on or after a certain date; prohibiting the Department from issuing tax credit certificates for certain film production activities for fiscal years beginning after a certain date; repealing a provision authorizing certain business entities to claim, under certain circumstances, enterprise zone property tax credits within a certain number of years after the enterprise zone expires; making a technical correction; and generally relating to business and economic development tax credit programs in the State.

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

Section 5-702, 5-708, 5-1404(f), and 6-1002

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement) BY adding to

Article - Economic Development Section 6-407

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement) BY repealing and reenacting, with amendments,  
Article - Tax - General

Section 10-725(c), 10-730(f), 10-733.1(d), and 10-748(d)

Annotated Code of Maryland

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

Section 9-103(e)

Annotated Code of Maryland (2019 Replacement Volume)

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

Article - Economic Development

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

10-730.

- (f) (1) Except as provided in paragraph (2) of this subsection, 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) The Secretary may not issue tax credit certificates **UNDER THIS SECTION:**

(I) for credit amounts totaling more than \$10,000,000 in the aggregate for a single film production activity ; **OR**

**(II) FOR ANY FISCAL YEAR BEGINNING AFTER JUNE 30, 2023.**

(4) (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 June 1, 2020.