

MD H 498, Introduced

Maryland

SUMMARY: Requires the Department of Commerce; evaluates the potential employment and economic growth of the State's industry sectors; establishes a certain list of industry sectors and activities; considers for additional support; repeals the Maryland Economic Development Commission and Commerce Subcabinet; alters the designation, administration, and purposes of and eligibility for certain economic development programs; alters eligibility for and the calculation of certain economic development incentives.~SAME AS: MD S 427#

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

01/22/2025 INTRODUCED.

01/22/2025 To HOUSE Committee on WAYS AND MEANS.

01/22/2025 To HOUSE Committee on APPROPRIATIONS.

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session: Maryland 2025 Regular Session - 447th Session of the General Assembly

cite: 2025 MD H 498

Introduced

January 22, 2025

Jones A

HOUSE BILL 498

By: **The Speaker (By Request - Administration) and Delegates Allen, Cardin, Fennell, Hornberger, Patterson, Stein, Taveras, Turner, Vogel, and Wu**

Introduced and read first time: January 22, 2025

Assigned to: Ways and Means and Appropriations

A BILL ENTITLED

AN ACT concerning

Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act

FOR the purpose of requiring the Department of Commerce to evaluate the potential employment and economic growth of the State's industry sectors and establish a certain list of industry sectors and activities; repealing the Maryland Economic Development Commission and Commerce Subcabinet; altering and staggering the terms of certain appointed members of the Maryland Life Sciences Advisory Board in a certain manner; altering the designation, administration, and purposes of and eligibility for certain economic development programs; altering the definition of "MEDCO obligation" under the Tax Increment Financing Act to include certain projects under the Build Our Future Program; altering the purposes for which certain bond proceeds may be used under the Tax Increment Financing Act; requiring the State Department of Assessments and Taxation to waive certain filing fees for certain businesses located within a Regional Institution Strategic Enterprise zone; altering eligibility for, terms of, and types of financial assistance from the Child Care Capital Support Revolving Loan Fund; altering the purposes of the Seed Community Development Anchor Institution Fund to include providing certain financial assistance for projects in certain RISE zone catchment areas and requiring the Department of Housing and Community Development to prioritize certain applications located in active RISE zones; redesignating the Economic Development Opportunities Program Account to be the Strategic Closing Fund within the Department of Commerce; altering the purposes for and methods by which the Strategic Closing Fund may be utilized; altering

the distribution of certain video lottery terminal proceeds; altering the termination date of the Build Our Future Grant Pilot Program and Job Creation Tax Credit, Research and Development Tax Credit, and Innovation Investment Incentive Tax Credit programs; providing for the termination of the One Maryland Economic Development Tax Credit Program on a certain date; altering eligibility for and the calculation of certain tax credits; allowing a qualified investor that is a pass-through entity that pays a certain income tax on behalf of its members to receive and allocate in any manner a credit or refund of a credit under the Biotechnology Investment Incentive Tax Credit and Innovation Investment Incentive Tax Credit programs; altering the aggregate amount of film production activity tax credit certificates that the Secretary of Commerce may issue each fiscal year; repealing a certain limit on the aggregate amount of tax credit certificates the Secretary may issue for a single film production activity; repealing a credit against the State income tax for certain costs related to federal security clearances; and generally relating to economic development and economic development incentives.

BY renumbering

Article - Economic Development

TEXT OMITTED, DOES NOT PERTAIN TO FILM

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Economic Development

TEXT OMITTED, DOES NOT PERTAIN TO FILM

10-730.

(a) (1) In this section the following words have the meanings indicated.

(4) (i) "Film production activity" means:

1. the production of a film or video project that is intended for nationwide commercial distribution; and
2. for a television series, each season of the television series.

(ii) "Film production activity" includes the production of:

1. a feature film;
2. a television project;
3. a commercial;
4. a corporate film;
5. a music video;
6. a digital animation project;
7. a documentary; or
8. a talk, reality, or game show.

(iii) "Film production activity" does not include the production of:

1. a student film;
2. a noncommercial personal video;
3. a sports broadcast;
4. a broadcast of a live event;
5. a video, computer, or social networking game;
6. pornography;
7. an infomercial;
8. a digital product or an animation project other than a digital animation project; or
9. a multimedia project.

(7) "Qualified film production entity" means an entity that:

(i) is carrying out a film production activity; and

(ii) the Secretary determines to be eligible for the tax credit under this section in accordance with subsection (c) of this section.

(b) (1) A qualified film production entity may claim a credit against the State income tax for film production activities in the State in an amount equal to the amount stated in the final tax credit certificate approved by the Secretary for film production activities.

(2) If the tax credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the qualified film production entity for that taxable year, the qualified film production entity may claim a refund in the amount of the excess.

(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 through 2023, \$12,000,000;

(vii) for fiscal year 2024, \$15,000,000;

(viii) for fiscal year 2025, \$17,500,000; **AND**

(ix) for fiscal year 2026 **AND EACH FISCAL YEAR THEREAFTER**, \$20,000,000 ~~;~~ **and**

~~(x) for fiscal year 2027 and each fiscal year thereafter, \$12,000,000.~~

(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 for credit amounts totaling more than \$10,000,000 in the aggregate for a single film production activity.~~

~~(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