

MD H 352, Chaptered

Maryland

SUMMARY: Increases the tax rate imposed on mobile sports wagering; reduces the amount of film tax credits that may be awarded in a certain fiscal year; increases the vehicle excise tax rate; repeals an exemption for certain rental vehicles from the vehicle excise tax; alters certain exemptions under the State income tax on certain income of certain persons; alters the maximum tax rate that a county may impose on an individual's State taxable income; imposes the sales and use tax on certain vending machine.~SAME AS: MD S 321#

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

01/15/2025 INTRODUCED.

01/15/2025 To HOUSE Committee on APPROPRIATIONS.

01/17/2025 Reassigned to HOUSE Committee on APPROPRIATIONS.

01/17/2025 Reassigned to HOUSE Committee on WAYS AND MEANS.

01/24/2025 Hearing Scheduled 2/25 at 1:00 p.m.

02/12/2025 Hearing cancelled.

02/12/2025 Hearing Scheduled 2/27 at 1:00 p.m. (Appropriations)

02/13/2025 Hearing Scheduled 2/27 at 1:00 p.m. (Appropriations) and Hearing Scheduled 2/27 at 1:00 p.m. (Ways and Means)

03/24/2025 From HOUSE Committee on APPROPRIATIONS: Reported as amended.

03/25/2025 Committee amendment adopted on HOUSE floor.

03/25/2025 Second reading passed with amendments. To third reading.

03/26/2025 Passed HOUSE. *****To SENATE.

03/27/2025 To SENATE Committee on RULES.

03/27/2025 Reassigned to SENATE Committee on BUDGET AND TAXATION.

03/28/2025 From SENATE Committee on BUDGET AND TAXATION: Reported as amended.

03/31/2025 Committee amendment adopted on SENATE floor.

03/31/2025 Amended on SENATE floor.

03/31/2025 Second reading passed with amendments. To third reading.

04/01/2025 Passed SENATE. *****To HOUSE for concurrence.

04/01/2025 HOUSE refused to concur in SENATE amendment.

04/01/2025 *****To CONFERENCE Committee.

04/07/2025 CONFERENCE Committee Report adopted by HOUSE.

04/07/2025 CONFERENCE Committee Report adopted by SENATE.

04/07/2025 Eligible for GOVERNOR'S desk.

05/20/2025 Signed by GOVERNOR.

05/20/2025 Chapter No. 604

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

cite: 2025 MD H 352

Chaptered

May 20, 2025

Jones A

Chapter 604

(House Bill 352)

AN ACT concerning

Budget Reconciliation and Financing Act of 2025

FOR the purpose of requiring the Maryland Horse Industry Board to take certain actions relating to licensees of horse establishments; establishing or altering certain administrative penalties; altering or repealing certain required appropriations; establishing or altering certain fees; requiring the Secretary of Agriculture to take certain actions relating to a registration for a weight and measure, including setting reasonable fees; *increasing the cap on the percentage that may be deducted from all open purses and paid to a certain organization*; authorizing the use of certain funds for certain purposes; altering the composition of certain funds; establishing certain funds; *authorizing the transfer of certain funds*; authorizing, requiring, or altering the distribution of certain revenue; *providing that the Maryland Stadium Authority and the Maryland Economic Development Corporation are the successor entities to the Maryland Thoroughbred Racetrack Operating Authority for certain purposes concerning certain racing facilities*; *altering a certain cap on low intensity support services for certain individuals*; *making the restoration of certain benefits subject to a certain limitation*; *requiring county governments and Baltimore City to pay a certain percentage of compensation awarded to certain erroneously convicted, sentenced, and confined individuals*; *making the Judicial Branch of State government subject to review by the Office of Program Evaluation and Government Accountability*; *increasing the tax rate imposed on mobile sports wagering*; requiring county governments, beginning in a certain fiscal year, to pay certain amounts toward the retirement costs for certain local employees; *exempting the transfer of certain transfer tax revenues to the General Fund of the State from certain repayment requirements*; increasing the outstanding and unpaid principal balance of bonds issued by the Maryland Department of Transportation; expanding the uses of certain bond proceeds; ~~altering the value of certain vehicle trade-in allowances~~; ~~altering a certain limitation on the amount of the Maryland estate tax for decedents dying on or after a certain date~~; ~~reducing the amount of film tax credits that may be awarded in a certain fiscal year~~; limiting the amount of tax credits the Maryland Higher Education Commission may approve for a certain fiscal year; ~~requiring the reversion of certain funds to the General Fund of the State~~; increasing the percentage of certain costs for which each county and Baltimore City are responsible for reimbursing the State; ~~prohibiting the award of a certain tax credit to certain new properties on or after a certain date~~; ~~altering the Maryland earned income tax credit for certain individuals~~; *increasing the vehicle excise tax rate*; *repealing an exemption for certain rental vehicles from the vehicle excise tax*; *specifying the rate of the vehicle excise tax imposed on certain rental vehicles*; *altering the definition of "historic motor vehicle" for purposes of registering a vehicle as a Class L vehicle*; *altering certain exemptions under the State income tax on certain income of certain persons*; altering the rates and rate brackets under the State income tax on certain income of individuals; providing for an additional State individual income tax rate on the net capital gains of individuals; ~~authorizing the transfer of certain funds~~; ~~requiring that certain sales of tangible personal property be included in the numerator of the sales factor used for apportioning a corporation's income to the State under certain circumstances~~; ~~imposing a certain income tax on income distributed to certain members of certain pass-through entities from the pass-through entity's taxable income exceeding a certain amount~~; *altering, subject to certain limitations, the maximum tax rate that a county may impose on an individual's Maryland taxable income*; *altering the determination of the amount of certain deductions allowed for an individual under the Maryland income tax*; *imposing the sales and use tax on the sale of certain categories of taxable services*; *altering the sales and use tax on the sale of cannabis*; *imposing the sales and use tax on the sale of certain*

TEXT OMITTED, DOES NOT PERTAIN TO FILM

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax – General

*****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 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 project 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.

(8) "Secretary" means the Secretary of Commerce.

(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 years 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, \$20,000,000; and~~
~~(x)~~ for fiscal year ~~2027~~ 2026 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

SECTION ~~26~~ 37. AND BE IT FURTHER ENACTED, That, except as provided in Sections ~~21, 22, 23, 24, and~~
~~25~~ 33, 34, 35, and 36 of this Act, this Act shall take effect June 1, 2025.

Approved by the Governor, May 20, 2025.