

Maryland Employer Security Clearance Costs Tax Credit
Application for Certification for TY 2016 (Or For Fiscal Year Taxpayers, TY _____)
Applications must be submitted by September 15, 2017
(PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM)

Page 1 of 3

General Information about the Applicant

1) Business Name: _____	
2) Business Address: _____ _____	
3) (a) FEIN: _____	3) (b) UI Number: _____
4) Business NAICS Code: _____	5) Beginning and End Date of Tax Year: From _____ to _____
6) If you are a partial or short-year taxpayer, provide the proportion of the year for which credits are being claimed, as a percentage.	_____ %
7) Facility Address: _____ _____	
8) Total Number of Maryland Employees: _____	
9) Total Number of Maryland Employees Applied to Obtain or Maintain Federal Security Clearance in TY2016: _____	

The Security Clearance Costs Information

10) Security Clearance Administrative Expenses	
10) (a) Total Security Clearance Administrative Expenses for TY2016	\$ _____
10) (b) Number of Personnel for Federal Security Clearance Administrative Duties Related To Employees in TY2016	_____
10) (c) Provide a detailed itemized accounting or spreadsheet of qualifying security clearance administrative expenses for TY2016, and include these schedules as an attachment to the application. Please include detail of administrative <u>personnel</u> expenses.	
11) First Year Lease Costs for Qualified Small Business	
11) (a) Total First Year Lease Payments for TY2016	\$ _____
11) (b) Provide a copy of rental agreement for spaces leased for qualified lease costs and a payment schedule.	
11) (c) Attach signed Small Business Affidavit to claim the tax credit for First Year Lease Costs.	

Collection of Personal Information: Certain financial information requested by the Department is necessary in determining your eligibility. Failure to disclose this information may result in the denial of one of these benefits or services. **State law requires Department of Commerce (COMMERCE) to provide to the Governor and General Assembly annual reports containing the name, address, and amount of credit approved for each individual or corporation, that law effectively makes that information available to the public.**

Publicity: The applicant agrees that COMMERCE may issue press releases and otherwise publicize information about the applicant's qualification for the Employer Security Clearance Costs Tax Credit.

Consent: I give consent to Department of Labor, Licensing and Regulation to release the information that our company provides on the BLS 3023 form and the BLS 3020 form to COMMERCE, solely for the purpose of evaluating the effectiveness of COMMERCE economic development programs and their impact on our company's employment level.

Affidavit: I solemnly affirm under the penalties of perjury and upon personal knowledge that the contents of the foregoing paper are true.

Date	By:	Officer Signature
Phone:		Name (Print) and Title
Email:		Business Name

Whom to contact for further information:	
Name (Print):	Title:
Phone:	Email:

Please return this application form, attachments, and Exhibit A to:

Mark A. Vulcan, Esq., CPA
Office of Finance Programs
Program Manager, Tax Incentives
Maryland Department of Commerce
401 East Pratt Street, 17th Floor
Baltimore, Maryland 21202

Maryland Employer Security Clearance Costs Tax Credit Application Instructions

Below are instructions for filling out the Maryland Employer Security Clearance Costs Tax Credit Application.
ONLY APPLICATIONS POSTMARKED BY SEPTEMBER 15, 2017 WILL BE ACCEPTED.

The instructions are guidelines. You may download the MD Employer Security Clearance Costs Tax Credit statute from the Maryland Department of Commerce's (COMMERCE) website at:

<http://commerce.maryland.gov/fund/programs-for-businesses/employer-security-clearance-costs-tax-credit>

General Information:

- 1) Provide the full legal name of the entity, as it should appear on the certificate. If Maryland law requires the business entity to register with the State Department of Assessments and Taxation (SDAT), this name must be registered as a business entity in good standing. You may check the status of your business entity at: <http://charter.dat.maryland.gov/Pages/CharterSearch/default.aspx>
- 2) Provide the address of the business entity. This is the address the certificate will be mailed to unless otherwise noted on the application.
- 3) Provide the Federal Employer ID Number (FEIN) and Unemployment Insurance (UI) Number, if applicable.
- 4) Provide the North American Industrial Classification Code (NAICS) of the business entity. More information on NAICS codes can be found at: <http://www.census.gov/eos/www/naics/index.html>
- 5) Provide the beginning and end date of the Tax Year for which the applicant is applying for credits. If you are a **Fiscal Year taxpayer**, you should be applying for credits earned for Employer Security Clearance Administrative Expenses, SCIF Costs, and the First Year Lease Costs for Qualified Small Businesses incurred in the tax year that ends in calendar year 2016.
- 6) If the business entity is a short year or partial year taxpayer (tax year is less than a full 12-month period), provide the percentage of days in the calendar year included in the partial or short tax year. For example, if the business entity is a short year taxpayer and the tax year begins January 1, 2016 and ends June 30, 2016, this is 181 days divided by 365 days or 50%.
- 7) Provide the address of the Maryland facility where the Maryland qualified Security Clearance Administrative Expenses and SCIF Costs incurs. If you have multiple Maryland facilities conducting Maryland qualified security clearance activities, please provide a list of the addresses of all facilities.
- 8) Provide the total number of Maryland employees.
- 9) Provide the total number of Maryland employees who are required to obtain or maintain a federal security clearance.

The Security Clearance Costs Information

- 10) Security Clearance Administrative Expenses
 - 10) (a) Provide the total amount of eligible security clearance administrative expenses related to obtain or maintain employees' federal security clearance for TY2016.
 - 10) (b) Provide the total number of administrative personnel who performed administrative duties to obtain or maintain employees' federal security clearance for TY2016.
 - 10) (c) Provide a detailed itemized accounting or spreadsheet of the qualifying security clearance administrative expenses, and include these schedules as an attachment to the application.

Provide the following administrative personnel information, if you include his/her expenses as security clearance administrative expenses.

 - (1) Total TY2016 compensation from W-2
 - (2) Total hours worked for TY2016
 - (3) Total hours spent performing federal security clearance administrative duties to obtain or maintain federal security clearances for your Maryland employee(s) for TY2016
 - (4) Percentage of time spent performing federal security clearance administrative duties to obtain or maintain federal security clearances for your Maryland employee(s) for TY2016
 - (5) Total personnel expenses for the federal security clearance administrative duties for TY2016

Note 1: Failure to provide Security Clearance Administrative Expenses schedules and/or additional information on administrative personnel(s) to claim this credit may result in the denial of your application.

Note 2: Cash transactions are generally not eligible for tax credits as they cannot be easily tracked to the eligible applicants.

11) First Year Lease Costs for Qualified Small Business

11) (a) Provide the total amount of eligible lease payments for TY2016.

11) (b) Provide a copy of rental agreement for spaces leased for qualified lease costs and a payment schedule

11) (c) Attach the signed Small Business Affidavit to claim the tax credit for First Year Lease Costs.

Note 1: Failure to include a copy of the rental agreement and a signed Small Business Affidavit to claim this credit may result in the denial of your application.

Note 2: Cash transactions are generally not eligible for tax credits as they cannot be tracked to the eligible applicants.

12) SCIF Costs

12) (a) Provide the total amount of eligible SCIF costs for TY2016.

12) (b) Provide the number of SCIFs included in the total amount of eligible SCIF costs for TY2016.

12) (d) Indicate by checking the **yes or no** box whether the SCIF(s) claimed on this credit have been accredited by the appropriate federal agency.

12) (d) Indicate by checking the **yes or no** box whether the SCIF(s) project claimed on this credit have been approved the sponsoring agency, **if the SCIF(s) construction/renovation has/have not completed.**

12) (e) Provide a detailed itemized accounting or spreadsheet of the qualifying SCIF costs that shows SCIF assets and equipment for **each facility** if there are multiple SCIFs in Maryland, and include this schedule as an attachment to the application.

The business entity must retain copies of supporting documents of these costs for its records.

Supporting documents must include all of the following:

- Proof of service and/or equipment purchases, such as the invoices from SCIF contractor(s) and/or SCIF equipment provider(s),
- Proof of payment, such as cancelled check, bank statement, or credit card statement, and
- Proof of SCIF construction/renovation performed in Maryland, such as the work order forms from SCIF contractor(s) and/or SCIF equipment providers(s).

Note 1: Failure to provide the SCIF Costs schedules may result in the denial of your application.

Note 2: COMMERCE recognizes that the business entity may need to keep the address of the SCIF confidential; therefore, the physical SCIF address may be deleted from the supporting documents.

Note 3: Cash transactions are generally not eligible for tax credits as they cannot be tracked to the eligible applicants.

12) (f) Indicate by checking the **yes or no** box whether all SCIFs claimed on this credit are located in Maryland.

13) Attach proof of Good Standing from the Maryland State Department of Assessment and Taxation (Corporations and LLC's only). This proof does NOT have to be an official Certificate of Good Standing but may be a print-out of status from SDAT's website:
<http://charter.dat.maryland.gov/Pages/CharterSearch/default.aspx>.

Please contact Emiko Kawagoshi at 410-767-4041 / emiko.kawagoshi@maryland.gov or Mark A. Vulcan at 410-767-6438 / mark.vulcan@maryland.gov with any questions.

Exhibit A (Collection of Statistical Data About the Applicant)

This form is for gathering statistical data only. The information provided in this form has no bearing on the Applicant's eligibility for the tax credit applied for and will not be a part of the application approval process. Furnishing of this information is voluntary; failure to do so will have no effect on the approval of the tax credit application.

Respondent does not wish to furnish this information: Yes No

If the Applicant is a business organization:

If the Applicant is a business that is owned and controlled primarily by individuals who are identified in any of the following categories, please check all the categories that apply:

- Female
- Of Hispanic or Latino origin
- Asian
- American Indian or Alaska Native
- Black or African American
- Native Hawaiian or other Pacific Islander
- White
- Veteran

Is the Applicant a State/Federal/Other certified Minority Business Enterprise?

Yes No

If yes, please provide your:

State MBE certification number: _____

Federal 8(a)/SDB certification number: _____

Identify who the other issuer is and the other certification number: _____

Respondent is a publicly held entity or other organization not classifiable as owned by individuals of a particular gender, race, ethnicity, or veteran status: Yes No

If the Applicant is an individual:

Is the Applicant Female? Yes No

Is the Applicant of Hispanic or Latino origin? Yes No

Which of the following categories describes the Applicant (multiracial respondents may select all applicable racial categories):

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or other Pacific Islander
- White

FOR DEPARTMENT USE ONLY:

Respondent Name: _____

Date: _____