Maryland Wineries and Vineyards Online Tax Credit Application Instructions for TY 2018

Below are instructions for filling out the Maryland Wineries and Vineyards Online Tax Credit Application. ONLY APPLICATIONS received electronically BY SEPTEMBER 15, 2019 WILL BE ACCEPTED.

The instructions are guidelines. You may download the Maryland Wineries and Vineyards Tax Credit statute from the Maryland Department of Commerce’s (COMMERCE) website at: http://commerce.maryland.gov/fund/programs-for-businesses/wineries-and-vineyards-tax-credit

Section I: Applicant Information

1) Provide the full legal name of the business 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: https://egov.maryland.gov/businessexpress/entitysearch.

2) Provide the full 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 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 Wineries and Vineyards capital expenses incurred in the tax year that ends in calendar year 2018.

5) Provide the address of the Maryland facility where the Maryland qualified Wineries and Vineyards capital expenses are incurred. If you have multiple Maryland facilities conducting Maryland qualified wineries and/or vineyards activities, please provide the addresses of all facilities.

6) Provide the total number of Maryland employees.

7) Indicate the type of business, winery, vineyard, or both, by checking the box. If the business is a winery, provide a copy of the Winery license issued by the Comptroller of Maryland.

8) Attach proof of Good Standing from the Maryland SDAT (Corporations and LLC’s only), if Maryland law requires the business entity to register with SDAT. 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: https://egov.maryland.gov/businessexpress/entitysearch.

Section II: The Capital Expenses Information

9) Provide qualified capital expenses for the winery for 2018.

10) Provide qualified capital expenses for the vineyard for 2018.

11) Provide the total amount of qualified wineries and vineyards capital expenses for 2018.

12) Calculate 25% of the total qualified expenses by multiplying the total amount of eligible wineries and vineyards capital expenses by 0.25.
Section II: Report of Capital Expenses and Supporting Document

Provide eligible wineries and vineyards capital expenses information. All supporting documents must be uploaded in order for the application to be processed. **Failure to provide the Report of Expenses Form and supporting documents may result in the denial of your application.**

(a) Provide the date of the invoice or receipt.
(b) Provide the name of the vender/contractor
(c) Provide the date payment was made.
(d) Provide descriptions of all eligible items that appear on the invoice or receipt. All invoices or receipts must be clearly itemized.
(e) Provide the category that corresponds to each item description.
(f) Provide the total cost of each category, excluding all ineligible expenses.
(g) If leased, please “check the box”. If the machinery and equipment is leased, the lease agreement must be 3 years or longer.
(h) Indicate whether the cost of a category of items exceeds $500. Provide supporting documentation, such as a copy of the invoice or receipt, for categories where the cost exceeds $500 and/or the item is leased. The invoice or receipt must clearly state the date of purchase, the name of the store or company where the purchase was made, and must be itemized. Invoices also must clearly differentiate eligible expense from ineligible expense.

Section III: Capital Expense Information

These fields will pre-fill based on the input received above.

Categories of “Eligible” Equipment and Materials

- Barrels
- Bins
- Bottling equipment
- Canopy management machines
- Capsuling equipment
- Chemicals (vineyard only)
- Corkers
- Crushers
- Destemmers
- Fermenters or other recognized fermentation devices
- Fertilizer and soil amendments
- Filters
- Fruit harvesters
- Fruit plants
- Hoses
- Irrigation equipment
- Labeling equipment
- Lugs
- Mowers*
- Poles
- Posts
- Presses
- Pruning equipment
- Pumps
- Refractometers
- Refrigeration equipment
- Seeders
- Soil
- Small tools
- Tanks
- Tractors*
- Vats
- Weeding and spraying equipment
- Wine tanks
- Wire
- Forklift*

Ineligible expenses

- Utilities
- Labor costs
- Service costs
- Repair costs
- Maintenance costs
- Construction costs
- General supplies
- Office supplies
- Rented equipment and materials
- Cost of goods sold
- Membership and subscription fees
- Marketing and promotional expenses
- Expenses not related to wine production or a plantation of grapevines for winemaking
- Wine making additives and chemicals, i.e. fermentation nutrient, stabilizer, fining agent etc.

Please contact Abigail McKnight at 410-767-7234 / abigail.mcknight@maryland.gov or Mark A. Vulcan at 410-767-6438 / mark.vulcan@maryland.gov with any questions.