




OPEN FOR BUSINESS



The Department of Commerce, Office of Finance Programs (OFP) provides the business community financing and incentive based solutions for economic development projects to maximize job creation, retention and capital investment for each dollar invested. To remain competitive in the market place, OFP responds quickly to changing requirements with the development of incentives that address the identifiable needs of the business community.

FINANCE INCENTIVES PROVIDE:

- Entrepreneurs with access to capital markets;
- The funding of economic development efforts for local jurisdictions;
- Additional employment opportunities through the attraction, creation, expansion and retention of business ventures; and
- Incentives that encourage capital investments, as well as significant job creation and retention opportunities.



BUSINESS RESOURCES

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND (MEDAAF)

This flexible and broad based program funds grants, loans and investments to support economic development initiatives. Uses include business attraction and retention, infrastructure support, Brownfield redevelopment, arts and entertainment districts, daycare, revolving loan funds and local strategic planning. Projects must be within Priority Funding Areas and Eligible Industry Sectors. Awards are made on a competitive basis.

Maryland Industrial Development Financing Authority (MIDFA)

MIDFA encourages private sector investments through the use of insurance, the issuance of tax-exempt and taxable revenue bonds, and linked deposits. Insurance reduces the lender's credit risk. All MIDFA projects must be in a Priority Funding Area.

Economic Development Opportunities Program Fund (Sunny Day)

The fund supports extraordinary economic development opportunities that create and retain employment as well as create significant capital investments. Historically, the Sunny Day Fund supported significant business attraction and retention, and information technology and life science park development. Projects must create substantial employment in areas of high unemployment and are evaluated on a competitive basis.

Maryland Small Business Development Financing Authority (MSBDFA)

Created to promote the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs, MSBDFA clients include all small businesses unable to obtain adequate business financing on reasonable terms through normal financing channels. A private contractor manages the four MSBDFA components and the Department provides financing for the approved small businesses. The program includes a guaranty fund, contract financing, a surety bond program, and an equity participation investment component.

Military Personnel and Veteran-Owned Small Business No-Interest Loan Program (MPVOLP)

This program provides loans of up to \$50,000, from one to eight years, for businesses owned by military reservists, service-disabled veterans, active duty National Guard personnel and businesses that employ or ARE owned by such persons.

FEDERAL INCENTIVES

Community Development Block Grant (CDBG)

This program assists local governments in implementing commercial and industrial economic development projects. Approved program funds are disbursed to eligible local jurisdictions as conditional grants and used for public improvements for business start-up or expansion or business loans. Projects must create jobs with the majority targeted to individuals from low to moderate income or eliminate blight conditions that impede commercial and industrial development. Fund uses include acquiring fixed assets, infrastructure and feasibility studies.

Maryland Economic Adjustment Fund (MEAF)

MEAF assists small businesses with upgrading manufacturing operations, developing commercial applications for technology, or enter into and compete in new economic markets. Eligible businesses include manufacturers, wholesalers, service companies, and skilled trades. Funds can be used for working capital machinery and equipment, building renovations, real estate acquisitions and site improvements.

Major Tax Incentives For Economic Development

- 1) More Jobs for Maryland Incentive Program
- 2) Job Creation Tax Credit
- 3) Cybersecurity Investment Incentive Tax Credit
- 4) Employer Security Clearance Costs (ESCC) Tax Credit
- 5) Biotechnology Investment Incentive Tax Credit
- 6) One Maryland Tax Credit
- 7) Research and Development Tax Credit
- 8) Enterprise Zone Tax Credit
- 9) Wineries and Vineyards Tax Credit
- 10) Brownfields Revitalization Incentive Program
- 11) RISE Zone (RISE) Tax Credit
- 12) Arts & Entertainment Districts
- 13) BRAC Zone

MORE JOBS FOR MAYLANDERS

BENEFITS

- New Manufacturers in Tier 1 Counties
 - Refundable income tax credit
 - Calculated as 5.75% of wages
 - Sales and Use Tax Refund
 - Waiver of SDAT fees
 - 100% state real property tax credit
 - Available for a benefit period of 10 years
- Existing Manufacturers in Tier 1 and 2 Counties
 - 10-year refundable income tax credit

TIER 1&2 COUNTIES

- Tier 1 Counties
 - Counties include Baltimore City, Allegany, Baltimore, Dorchester, Prince George's, Somerset, Washington and Worcester Counties
 - Minimum job requirement: 5 jobs
- Tier 2 Counties
 - All remaining counties
 - Minimum job requirement 10 jobs

WHO QUALIFIES FOR THE CREDIT?

Manufacturers classified under NAICS codes 31, 32 and 33 (except refiners), who:

- Offer ongoing job training to qualify and continue to offer during the 10-year benefit period
- Provide Notice of Intent to Commerce
 - New manufacturers must provide Notice of Intent prior to establishing its facility in the State.
 - Existing Manufacturers must provide Notice of Intent prior to hiring qualified positions.
 - Manufacturers must begin hiring within 12 months of the Notice of Intent.
- Enroll their projects in the program **(by application)** and are certified by Commerce as a Qualified Business Entity
- Create the minimum jobs and fill them for 12 months

JOB CREATION TAX CREDIT

- Job Creation Tax Credit (JCTC) provides income tax credits and incentivizes businesses that create new jobs, expand or relocate in Maryland.
- Changes under SB 873 effect businesses applying for certification beginning January 1, 2018.
- The program sunsets January 1, 2020.

BENEFITS

- Basic Benefit
 - \$3,000 per new job
- Revitalization Area Benefit
 - \$5,000 per new job
- Commerce may not certify more than \$4 million in credits in a tax year.
- Business Entity is limited to a maximum benefit of \$1 million per credit year
- Carry forward period: 5 years

JOB CREATION MINIMUMS

60	Anywhere in Maryland
25	Business is located in a JCTC Priority Funding Area
10	Counties with an annual average employment less than 75k or a median HH income less than two-thirds the State's median HH income

Counties with 10-job minimum

Allegany	Charles	Somerset
Baltimore City	Dorchester	Talbot
Calvert	Garrett	Washington
Caroline	Kent	Wicomico
Carroll	Queen Anne's	Worcester
Cecil	Saint Mary's	

*Subject to change, updated annually.



QUALIFIED ACTIVITIES

To qualify, a business must be primarily engaged in:

• Manufacturing	• Biotechnology
• Transportation or communications	• Computer programming, data processing or other computer related services
• Agriculture, forestry, fishing, or mining	• Central financial, real estate or insurance services
• Warehousing and Distribution	• The operation of central administrative offices or a company headquarters
• Research, development or testing	• Business Services in a JCTC Priority Funding Area
• Public utility	• Entertainment, recreation, cultural or tourism (additional requirements apply)

Additional Information Can Be Found On Commerce Website

<http://commerce.maryland.gov>

or

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