

Program Information

JOB CREATION TAX CREDIT (JCTC)

- JCTC awards state income tax credits to a qualified business that creates net new jobs and hires qualified veterans.
- The income tax credit is \$3,000 per new job. The credit increases to \$5,000 per new job if the business locates in a revitalization area (state or federal enterprise zone, federal empowerment zone, DHCD Sustainable Community, or Tier 1 County). The credit increases to \$4,000 if the position is filled by a qualified veteran employee, or \$6,000 if the position is filled by a qualified veteran employee and the business locates in a revitalization area. Unused credits may be carried forward for five years. Tier 1 Counties are subject to change and currently include Allegany, Baltimore City, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, and Worcester Counties.
- The program is capped at \$4 million in tax credits in a calendar year. Credits are certified on a first-come, first-served basis based on when the Department receives the final application. A business may not claim more than \$1 million in a credit year.
- The business must: (1) notify the Department of its intent to seek certification for the Job Creation Tax Credit before hiring any qualified employees to fill the qualified positions; (2) submit a preliminary application to the Department to be certified as a “qualified business entity” eligible for the tax credit; and (3) submit an application to the Department for the final certification when the jobs have been filled for 12 months.
- To qualify, the business must: (1) establish or expand the business at a single location in the State; (2) create a minimum number of net new jobs within a 24-month period that are full-time, and (3) be engaged in an eligible activity at the facility.
- The job creation minimums are 60 jobs anywhere in the state; 25 jobs in a Priority Funding Area; and 10 jobs in counties with (1) annual average employment less than 75,000 or (2) median household income less than two thirds of the statewide median household income. While subject to change annually, counties with a 10-job minimum include Allegany, Baltimore City, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Garrett, Kent, Queen Anne’s, Saint Mary’s, Somerset, Talbot, Washington, Wicomico, and Worcester Counties.
- The credit is awarded to each job that meets the definition of a “qualified position.” A “qualified position” means: full-time employment, of indefinite duration, filled for 12 months before applying for credits, and pays (1) at least 120% of State minimum wage for positions filled before October 1, 2021 or (ii) 150% of the State minimum wage or the prevailing wage rate for an employee classification under § 17-201 of the State Finance and Procurement Article for positions filled on or after October 1, 2021. Also, positions filled on or after October 1, 2021 must: (1) provide career advancement training, (2) afford the employee the right to collectively bargain for wages and benefits, (3) provide paid leave, (4) be considered a covered employee for the purposes of the unemployment insurance benefits under Title 8 of the Labor and Employment Article, (5) entitles the employee to workers’ compensation benefits under Title 9 of the Labor and Employment Article, (6) offer employer-provided health insurance benefits with monthly premiums that do not exceed 8.5% of the employee’s net monthly earnings, and (7) offer retirement benefits.
- The expansion or establishment of a business must be at a single location in the state. A single firm may have more than one eligible location, if each is certified and meets the requirements of the statute.
- **The JCTC remains in effect until January 1, 2027, subject to extension by the Maryland General Assembly.**
- For more information about JCTC, contact Abigail McKnight at abigail.mcknight@maryland.gov.

ONE MARYLAND TAX CREDIT

- The One Maryland Tax Credit awards state income tax credits to a qualified business that creates new jobs and invest in an economic development project in certain areas in the State.
- The income tax credit amount that a business will qualify for depends on the number of new qualified jobs created and amount of capital investment made in the project. A business must have at least \$500,000 of eligible costs and may qualify for the following maximum credit amounts:
 - For businesses that create 10-24 qualified positions: maximum \$1 million in credits based on eligible project costs.
 - For businesses that create 25-49 qualified positions: maximum \$2.5 million in credits based on eligible project costs.
 - For businesses that create at least 50 qualified positions: maximum \$5 million in credits based on eligible project costs.
- A business certified for the One Maryland Tax Credit on or after July 1, 2018 may carry forward unused credits for 10 years.
- **The business may not claim both the One Maryland Tax Credit and Job Creation Tax Credit in the same tax year.**
- The business must (1) notify the Department of its intent to seek certification for the One Maryland Tax Credit prior to incurring eligible costs or hiring any qualified employees to fill the required qualified positions; (2) submit a preliminary application to the Department to be certified as a “qualified business entity” eligible for the tax credit; and (3) submit an application to the Department for the final certification when the jobs have been filled for 12 months.
- To qualify, the business must (1) establish or expand in a Priority Funding Area in a Tier 1 County or a qualified opportunity zone in Allegany County, Garrett County, Somerset County or Wicomico County; (2) create the minimum number of net new jobs within a 24-month period beginning on the date of notification of an intent to seek certification and ending 24 months after completion of the project; (3) complete the economic development project within 3 years of its commencement; (4) have at least \$500,000 of eligible costs; and (5) be engaged in an eligible activity at the facility. Tier 1 Counties are subject to change and currently include Allegany, Baltimore City, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, and Worcester Counties.
- The business must begin hiring within 12 months after notifying the Department of its intent and create the minimum number of jobs required within a 24-month period. A qualified position is full-time, pay at least 120% of State minimum wage, and is filled for 12 months before applying for credits.
- The business must begin construction, acquisition, or installation of the project within 12 months after notifying the Department of its intent and complete the project no later than 3 years after the date on which the business began construction, acquisition or installment of the project.
- For more information about the One Maryland Tax Credit, contact Jason Sobel at jason.sobel1@maryland.gov.

MORE JOBS FOR MARYLANDERS INCENTIVE PROGRAM (MJM)

- MJM awards incentives to new and existing manufacturers that locate or expand in Maryland and create new manufacturing jobs and non-manufacturers that locate or expand in Maryland Opportunity Zones.
- A business enrolled on or after June 1, 2022 is eligible for a refundable credit against the State’s income tax of 4.75% of wages for each qualified position. The refundable income tax credit is available for a 5- or 10-year consecutive benefit period depending on the location of the enrolled project.
 - If the project is located a Tier 1 Area, the refundable income tax credit is available for 10-year consecutive benefit period.
 - If the project is located a Tier 2 Area, the refundable income tax credit is available for 5-year consecutive benefit period.
- Tier 1 Areas include Baltimore City, Allegany, Baltimore, Caroline, Cecil, Dorchester, Garrett, Kent, Prince George’s, Somerset, Washington, Wicomico and Worcester Counties. Tier 1 Areas also include Opportunity Zones located in any Maryland county. Tier 2 Areas are any areas which are not Tier 1 Areas.
- The total amount of income tax credits is capped for all businesses in a fiscal year. The credits are issued based on priority and submission order.
- The business must: (1) notify the Department of its intent to enroll in the More Jobs for Marylanders Incentive Program; (2) submit an enrollment application to Department to be certified as a “qualified business entity” eligible for the tax credit; (3) submit an initial application to reserve the income tax credit; and (4) submit a final certification when the jobs have been filled for 12 months.

Submit Notice of Intent to:

taxincentives.commerce@maryland.gov

- The business must begin hiring within 12 months after notifying the Department of its intent and create the minimum number of jobs required within 12 months after the date of its first new hire. The positions must be filled for at least 12 months before applying for credits.
- A manufacturing business must: (1) be primarily engaged in activities at the facility with NAICS sector 31, 32, or 33, except for refiners; (2) offer ongoing job skills enhancement training or approved post-secondary education program; and (3) create the minimum number of new jobs that are full-time, of indefinite duration, and pay at least 150% of State minimum wage. A project in a Tier 1 Area must create at least 10 new qualified positions, and a project in Tier 2 Areas must create at least 20 new qualified positions. Existing manufacturers that move their facility from one Maryland county to another after June 1, 2017 will not be eligible to participate.
- A non-manufacturing business must: (1) be located in an [Opportunity Zone](#); (2) create at least 10 new jobs that are full-time and pay at least \$50,000 per year; and (3) offer ongoing job training or provide a post-secondary education program. Existing businesses that move their facility from one Maryland county to another after June 1, 2017 will not be eligible to participate. Non-manufacturing businesses do not include businesses that: (i) provide adult entertainment, (ii) are primarily engaged in retail activities (except Grocery Stores), (iii) are primarily engaged in the sale or distribution of alcoholic beverages, (iv) a refiner, (v) a private or commercial golf course or country club, (vi) a tanning salon, or (vii) a bail bondsman.
- **Businesses may enroll their project in the program and be certified as a Qualified Business Entity until June 1, 2024.** Businesses who have been certified to receive benefits under the program will receive the full five- or ten-year duration, subject to appropriation.
- If, during the benefit period, the number of new qualified positions falls below the number the business received credit for in the first benefit year, the project will be removed from the program and all benefits will be terminated.
- For more information about the More Jobs for Marylanders Incentive Program, please contact Kelly Adams at kelly.adams1@maryland.gov.

STATE MINIMUM WAGE

State Minimum wage began increasing January 1, 2020. Please see the schedule below:

Effective Date	State Minimum Wage	120% State Minimum Wage	150% of State Minimum Wage
1/1/2020	\$11.00	\$13.20	\$16.50
1/1/2021	\$11.75	\$14.10	\$17.63
1/1/2022	\$12.50	\$15.00	\$18.75
1/1/2023	\$13.25	\$15.90	\$19.88
1/1/2024	\$14.00	\$16.80	\$21.00
1/1/2025	\$15.00	\$18.00	\$22.50

Updated October 2022

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