

**BUY MARYLAND CYBERSECURITY TAX CREDIT
 QUALIFIED MARYLAND COMPANY (BUYER)
 TAX CREDIT APPLICATION**

APPLICATION FOR TAX YEAR 2018

IMPORTANT – Because the Buy Maryland Cybersecurity Tax Credit is limited and capped, applications are accepted on a first come, first served basis. Signature required.

1. Full Legal Name of Organization				
2. Federal Employer Identification Number (FEIN)				
3. Unemployment Insurance Number				
4. Legal Form of Entity				
<input type="checkbox"/>	C Corporation	<input type="checkbox"/>	S Corporation	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>	LLC	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>	LLP	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>	Limited Partnership	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>		General Partnership
<input type="checkbox"/>	LLLP	Other (Provide Legal Form of Entity):		
5. NAICS Code		6. Total Number of Maryland Employee(s)		
7. Name of Cybersecurity Seller (Company that Sold the Cybersecurity Technology or Service)				
8. Total Amount of Requested Tax Credit (Total from Column E in Section 9)				\$
9. Buy Maryland Cybersecurity – Requested Tax Credit Calculation Worksheet				
A	B	C	D	E
Cybersecurity Purchase	Type of Purchase	Purchase Price	For Purchases Made from a Third-Party Reseller: Reduce Purchase Price by 20%	Requested Tax Credit Amount (50% of Purchase Price from QMCS, or Reseller After Reduction in Column D)
Total Amount of Requested Tax Credit (Sum Total of Column D)				\$

Information on completing the Requested Tax Credit Calculation Worksheet is available on page 3 of the application.

12. Supporting Documentation Checklist		
Required Documentation	Acceptable Documentary Evidence	Yes/No
(1) Proof of Purchase	Copy of itemized invoice that clearly identifies the purchase price and name of each cybersecurity technology or service purchased and listed in Section 9.	Yes No
(2) Proof of Payment	Copy of a receipt marked paid; <u>OR</u> , evidence of a wire transfer, canceled check, credit card statement, or bank statement that clearly identifies the vendor that sold the cybersecurity technology or service.	Yes No

**BUY MARYLAND CYBERSECURITY TAX CREDIT
 QUALIFIED MARYLAND COMPANY (BUYER)
 TAX CREDIT APPLICATION**

IMPORTANT – Because the Buy Maryland Cybersecurity Tax Credit is limited and capped, applications are accepted on a first come, first served basis. Signature required.

Collection of Personal Information: In accordance with Executive Order 01.01.1983.18, the Department of Commerce (“COMMERCE”) advises you as follows: Certain personal 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. Availability of this information for public inspection is governed by the provisions of the Maryland Public Information Act, General Provisions Article, Section 4-101 et seq. of the Annotated Code of Maryland. This information will be disclosed to appropriate staff of the Department and other public officials for purposes directly connected with administration of the program for which its use is intended. Such information is routinely shared with State, federal or local government agencies. You have the right to inspect, amend or correct personal records in accordance with the Maryland Public Information Act.

Publicity: The applicant agrees that COMMERCE may issue press releases and otherwise publicize information about the applicant’s qualification for the Buy Maryland Cybersecurity Tax Credit.

Revocation of Tax Credit: The applicant agrees that COMMERCE may notify the Comptroller of Maryland to revoke the tax credit at any time, which can include a demand for repayment of the tax credit, if COMMERCE discovers any material mistake, misrepresentation, or fabrication during the verification process of a company, and its eligibility for the Buy Maryland Cybersecurity Tax Credit.

Affidavit: I solemnly affirm under the penalties of perjury and upon personal knowledge that the business applying for the Buy Maryland Cybersecurity Tax Credit has fewer than 50 employees in Maryland, and is required to file an income tax return in Maryland.

I further affirm that all information in this application and in all supporting documentation is true and correct.

Signature of Employer / Employer’s Representative	Employer / Employer’s Representative Name (Print)
Business Name:	Title
Phone:	Email:
Date:	
Contact Information (if different from above)	
Name (Print):	Title:
Phone:	Email:

Please submit your applications plus attachments via courier or by mail to the Department of Commerce, ATTN: Tax Incentives, World Trade Center, 401 E. Pratt Street, 17th Floor, Baltimore, Maryland 21202.

BUY MARYLAND CYBERSECURITY TAX CREDIT
QUALIFIED MARYLAND COMPANY (BUYER)
TAX CREDIT APPLICATION

Additional Application Information

NACIS Code

Information regarding a company's North American Industry Classification System (NAICS) Code requested in Section 5 of the application is available at: <https://www.census.gov/eos/www/naics/>

Qualified Maryland Cybersecurity Seller versus Third-Party Reseller

A Qualified Maryland Cybersecurity Seller (QMCS) is a company certified by the Maryland Department of Commerce that creates, develops, produces or sells proprietary cybersecurity technologies or provides eligible cybersecurity services.

A third-party reseller is any company that sells cybersecurity technologies or services that is not certified by the Department of Commerce as a Qualified Maryland Cybersecurity Seller. To claim the BMC tax credit for purchases made from a reseller, a company must be able to clearly demonstrate that its purchase from a reseller is a QMCS's technology or service.

Eligible Cybersecurity Service

A qualified cybersecurity service is a service provided by a cybersecurity company that primarily performs an activity identified by the National Institute of Standards and Technology's (NIST) most recent Cybersecurity Framework: Framework Core. Version 1.1 of the NIST Framework Core is available at: <https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf>

Completing the Buy Maryland Cybersecurity Requested Tax Credit Calculation Worksheet

- A. Cybersecurity Purchase – Identify the name of each individual cybersecurity technology or service purchased for which the tax credit is being claimed.
 - B. Type of Purchase – Identify the type of purchase as a technology or service for each individual cybersecurity purchase for which the tax credit is being claimed.
 - C. Purchase Price – Provide the itemized purchase price for each individual cybersecurity technology or service purchased.
 - D. Reseller Reduction – Calculate the costs eligible for the tax credit for purchases made from a third-party reseller by multiplying the purchase price by .20.
 - E. Calculate the amount of the requested tax credit:
 1. Calculate the amount of the requested tax credit for each individual cybersecurity technology or service by multiplying the eligible cost of the purchase price by .5 (see tax credit examples following the application instructions); and then,
 2. Add the individual amounts of the requested tax credit for each cybersecurity technology or service in Column D to calculate the total amount of the requested tax credit.
- Proof of purchase and proof of payment must be provided for each individual cybersecurity technology or service for which the tax credit is being claimed. For purchases from a third-party reseller, ensure that the invoice clearly identifies the cybersecurity technology or service and the QMCS that provided the technology or service to the third-party reseller. Applications that do not include proof of purchase and proof of payment will not be processed.
- The amount of the requested tax credit is subject to verification and certification by the Department of Commerce and to available funds. The amount of the tax credit certified by the Department of Commerce may differ from the amount of the tax credit requested by the applicant.

BUY MARYLAND CYBERSECURITY TAX CREDIT
QUALIFIED MARYLAND COMPANY (BUYER)
TAX CREDIT APPLICATION

Requested Tax Credit Calculation Examples

Example 1: Purchase made directly from a Qualified Maryland Cybersecurity Seller

Purchase price of cybersecurity technology or service			\$2,000
Calculate the 50% of purchase price tax credit ($\$2,000 \times .5 = \$1,000$)	Tax Credit Amount		\$1,000

Example 2: Purchase made from a third-party reseller*

Purchase price of cybersecurity technology or service purchased from third-party reseller			\$2,000
Calculate the 20% reduction to reseller purchase price ($\$2,000 \times .20 = \400), and then subtract the reduction from the purchase price ($\$2,000 - \$400 = \$1,600$) to identify costs eligible for tax credit			-\$400
Amount of cybersecurity purchase cost eligible for tax credit			\$1,600
Calculate the amount of the 50% of purchase price tax credit ($\$1,600 \times .5 = \800)	Tax Credit Amount		\$800

*The law governing the Buy Maryland Cybersecurity Tax Credit requires that the calculation of the tax credit be based upon the purchase price of cybersecurity technologies or services from a Qualified Maryland Cybersecurity Seller (QMCS), and may not include any costs added by a third-party reseller. The 20% reduction to the purchase price from a third-party reseller reflects the Department of Commerce's estimate of the average costs added by a third-party reseller to the price of QMCS's cybersecurity technologies or services.