



MORE JOBS FOR MARYLANDERS TAX CREDIT PROGRAM for MANUFACTURERS AND NON-MANUFACTURERS

The More Jobs for Marylanders Tax Credit Program provides tax incentives to new manufacturers that locate in Tier 1 Areas and to existing manufacturers that expand in Tier 1 or Tier 2 Areas. Non-manufacturers may also qualify if they locate or expand in a Maryland Opportunity Zone.

Benefit

The benefits are available for a 10 year period.

TIER 1 NEW MANUFACTURING BUSINESS: (a) a refundable credit against the State's income tax of 5.75% of wages for each qualified position; (b) a credit against the State's portion of the property tax; (c) a refund of sales and use tax; and (d) a waiver of fees charged by SDAT.

TIER 1 OR TIER 2 EXISTING MANUFACTURING BUSINESS: A refundable credit against the State's income tax of 5.75% of wages for each qualified position.

OPPORTUNITY ZONE NEW NON-MANUFACTURING BUSINESS: (a) a refundable credit against the State's income tax of 5.75% of wages for each qualified position; (b) a credit against the State's portion of the property tax that is the lesser of 100% of state property tax OR \$250 per qualified position; (c) a refund of sales and use tax; and (d) a waiver of fees charged by SDAT.

OPPORTUNITY ZONE NON-MANUFACTURING EXISTING BUSINESS: A refundable credit against the State's income tax of 5.75% of wages for each qualified position.

Note 1: 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.

Note 2: The total amount of income tax credits is capped for all businesses in a fiscal year. The credits are issued on a first come, first-served basis.

The total amount of sales and use tax credits is capped at \$1 million in a fiscal year.

Eligibility

To qualify manufacturing businesses must:

- Be a manufacturer primarily engaged in activities at the facility that according to the North American Industrial Classification System, would be included in Sector 31, 32, or 33, except for Refiners.
- Offer ongoing job training or a post-secondary education program (e.g. tuition reimbursement).
- Provide Notice of Intent to enroll in the program.
- New or existing manufacturers in Tier 1 Areas must create at least **5** new Qualified Positions.
- A Qualified Position is a job that is full-time, pays at least 120% of State minimum wage, and is filled for 12 months before they qualify for credits.

- State Minimum wage will be increasing beginning January 1, 2020. Please see the schedule below.

Effective date	120% State Minimum Wage
1/1/2020	\$13.20
1/1/2021	\$14.10
1/1/2022	\$15.00
1/1/2023	\$15.90
1/1/2024	\$16.80
1/1/2025	\$18.00

- A Qualified Position is a job that is full-time, pays at least 120% of State minimum wage, and is filled for 12 months before they qualify for credits.
- Existing manufacturers in Tier 2 Areas must create at least **10** new qualified jobs.
- Begin hiring within 12 months of the Notice of Intent to Commerce. Once a business begins hiring, it must add 5 new qualified positions (Tier 1 Areas) or 10 new qualified positions (Tier 2 Areas) within 12 months after the date of its first new hire.
- Existing manufacturers that move their facility from one Maryland County to another after June 1, 2017 will not be eligible to participate.
- Be certified by Commerce as a qualified business entity.

To qualify, non-manufacturing businesses must:

- Be located in an Opportunity Zone
- Provide Notice of Intent to Commerce before it begins hiring.
- Create at least 5 Qualified Positions.
 - A Qualified Position is a job that is full-time, pays at least \$50,000 per year, and is filled for 12 months before they qualify for credits.
- Offer ongoing job training or provide a post-secondary education program.
- Begin hiring within 12 months of its Notice of Intent to Commerce. Once a business begins hiring, it must add 5 new qualified within 12 months after the date of its first new hire.
- Existing businesses that move their facility from one Maryland County to another after June 1, 2017 will not be eligible to participate.
- Be certified by Commerce as a qualified business entity.
- Non-manufacturing businesses do **NOT include businesses that:** (i) provide adult entertainment, (ii) are primarily engaged in retail activities (except Grocery Stores), or (iii) are primarily engaged in the sale or distribution of alcoholic beverages.

Businesses can enroll their project in the program and be certified as a Qualified Business Entity until June 1, 2022. Businesses who have been certified to receive benefits under the program will receive for the full ten year duration, subject to appropriation.

If during the 10-year 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 removed from the program and all benefits will be terminated.

Enrolling Your Project in Tax Credit Program

- If you are a new business, you must provide Commerce with a Notice of Intent before establishing your facility in Maryland. If you are an existing business, you must provide Commerce with a Notice of Intent before you begin creating new jobs.
- Commerce will then provide you with an application to enroll your project in the More Jobs for Marylanders Tax Credit Program.
- A business that meet the program's requirements will be certified by Commerce as a Qualified Business Entity eligible for the applicable tax credits available under the program.
- A Qualified Business Entity must apply separately for income tax credits and the sales and use tax refund.

Other Incentives for Manufacturers

If a business is a manufacturer, it may be eligible for these other incentives:

- Accelerated and bonus depreciation—this incentive is available to any Maryland manufacturer and **not** dependent on facility location, offering job training, creating new jobs, or providing notices of intent to Commerce. Accelerated and bonus depreciation is available beginning January 1, 2019.
- Job Training through the Partnership for Workforce Quality (<http://commerce.maryland.gov/grow/partnership-for-workforce-quality-pwq>) and
- Apprenticeship Tax Credits (<http://dllr.maryland.gov/employment/appr/apprtaxcreditinfo.shtml>).

For more information, please visit Commerce's website:

<http://commerce.maryland.gov/MJM> or contact:

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