

OFFICE OF FINANCE PROGRAMS
MARYLAND EMPLOYER SECURITY CLEARANCE
COSTS TAX CREDIT PROGRAM

ANNUAL STATUS REPORT
TAX YEAR 2017
TAX-GENERAL ARTICLE

SECTION 10-732(f)

Submitted by:

Maryland Department of Commerce

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**BASIC FACTS ABOUT MARYLAND
EMPLOYER SECURITY CLEARANCE COSTS
TAX YEAR 2017**

***Maryland Employer Security Clearance Costs Tax Credit,
TYE 2017 Summary***

The Maryland Employer Security Clearance Costs Tax Credit program was enacted during the 2012 session of the Maryland General Assembly. The statute requires that each business wishing to receive tax credits apply to the Department of Commerce (Commerce) for certification on or before September 15th of the calendar year following the tax year for which the federal security clearance costs were incurred. For September 15, 2018, businesses applied to Commerce for expenses incurred in the Tax Year Ending (TYE) 2017. After receiving certification, the business may file an amended tax return for the year it is certified OR it may claim the credit on an income tax return filed for ANY of the following tax years. The business must attach a copy of the Department's certification to its tax return. If the credit exceeds the business's tax liability, the unused portion of the credit may be carried forward until the excess amount is fully used.

The Maryland Employer Security Clearance Costs Tax Credit Program includes three tax credits.

Security Clearance Administrative Expense Tax Credit – This credit is 100% of eligible administrative expenses related to obtaining and maintaining federal security clearance for employees up to \$200,000. However, if the total amount of credits claimed by all businesses exceeds \$2 million, then the tax credit will be prorated.

Sensitive Compartmented Information Facility Costs Tax Credit – This tax credit is 50% of eligible construction or renovation costs of a single Sensitive Compartmented Information Facility (SCIF) up to \$200,000, and costs related to multiple SCIFs up to \$500,000. However, if the total amount of credits claimed by all businesses exceeds \$2 million, then, the tax credit will be prorated.

First Year Leasing Costs Tax Credit for Qualified Small Business – This credit is 100% of eligible first year leasing costs for small businesses doing security-based contract work up to \$200,000. However, if the total amount of credits claimed by all businesses exceeds \$2 million, then, the tax credit will be prorated.

Commerce certified 73 businesses to receive credits for incurring \$16.66 million in employer security clearance costs in Maryland for their tax year ending in 2017.

At the nominal statutory rates, applicants would have received \$4.44 million in tax credits. However the tax credits are limited to \$2 million. Therefore, the effective rate for the tax credit is reduced to 45 percent.

The applicants and the amount of credits for which they were certified are included in the attached appendix.

Appendix: Maryland Employer Security Clearance Costs Tax Credit, Credits Certified for TY2017

	Company Name	Total Certified Credit Amount
1	Netorian LLC	33,478
2	Clear Ridge Defense, LLC	2,775
3	ClearShark, LLC	8,359
4	Walker Engineering Solutions, LLC	22,640
5	JASINT Consulting and Technologies, LLC	2,734
6	Wyetech, LLC	3,161
7	ATI, Inc.	21,334
8	Oakleaf Technology Group, Inc.	5,486
9	JS Global, LLC	16,958
10	Asymmetrik, Ltd.	50,624
11	CDG Advantage, LLC	5,197
12	Entegra Systems, Inc.	21,549
13	Visionist, Inc.	12,036
14	Fuse Engineering, LLC	6,406
15	Sealing Technologies, Inc.	7,124
16	Zavda Technologies, LLC	35,772
17	Tensley Consulting, Inc.	15,375
18	Sound Engineering Solutions, Inc.	4,230
19	Root3 Labs, Inc.	6,613
20	VariQ Corporation	42,634
21	Innoplex, LLC	21,748
22	Project Enhancement Corporation	13,188
23	Aviation Systems Engineering, Co., Inc.	36,348
24	Tiber Technologies, Inc.	21,584
25	Omnyon LLC	16,017
26	Grove Resource Solutions, Inc.	8,909
27	Transformational Security, LLC	8,526
28	ABM Facility Support Services, LLC	21,923
29	Integral Consulting Services, Inc.	48,702
30	ClearEdge IT Solutions, LLC	53,440
31	General Dynamics Information Technology, Inc.	34,469
32	IZ Holdings, LLC	44,714
33	Cyrus Management Solutions, LLC	5,878
34	Quotient, Inc.	47,474
35	Booz Allen Hamilton, Inc.	150,208
36	Acquired Data Solutions, Inc.	1,296
37	WGS Systems, LLC	10,181
38	Anthem Engineering, LLC	2,144
39	Herrick Technology Laboratories, Inc.	47,516
40	Vision Technologies, Inc.	16,199
41	SUNAYU, LLC	9,633
42	Patriot Technologies, Inc.	2,704
43	Iron Flame Technologies, Inc.	7,353
44	BCT, LLC	83,690
45	WorTech, Corp	33,368
46	Staffing Alternatives, Inc. (SAI)	20,185

47	Novetta, LLC	34,627
48	Novetta, Inc.	22,324
49	Phoenix Operations Group, LLC	15,087
50	Augury, LLC	1,613
51	WOG, LLC d/b/a WhiteOak Group	44,174
52	INT3 Solutions, LLC	1,140
53	SixGen Inc.	560
54	SixGen, LLC	2,135
55	WOOD Consulting Services, Inc.	15,349
56	CRWI, LLC	8,646
57	Gray Graphics Corporation	15,865
58	Helm Point Solutions, Inc.	4,128
59	Advanced Technology & Research Corp	19,520
60	KJMK Management, Inc. A/T RealStreet	14,025
61	Battlefield Telecommunications Systems, LLC	18,848
62	General Dynamics Mission Systems, Inc.	229,249
63	Chiron Holdings, Inc.	39,300
64	Northrop Grumman Systems Corporation	224,982
65	ShoreIT Solutions, LLC	1,507
66	Resolute Technologies, LLC	3,678
67	Globecomm Services of Maryland, LLC	16,492
68	Brain Trust Holdings	12,765
69	Constellation Technologies, Inc.	13,713
70	MDA Information Systems, LLC	50,098
71	Jeskell Systems, LLC	6,879
72	Lingual Information System Technologies, Inc.	84,761
73	C.K. Signals, Inc.	6,652
	Total	\$2,000,000