

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

ANNUAL STATUS REPORT  
TAX YEAR 2018  
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 2018**

***Maryland Employer Security Clearance Costs Tax Credit,  
TYE 2018 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 15<sup>th</sup> of the calendar year following the tax year for which the federal security clearance costs were incurred. For September 15, 2019, businesses applied to Commerce for expenses incurred in the Tax Year Ending (TYE) 2018. 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 64 businesses to receive credits for incurring \$17.28 million in employer security clearance costs in Maryland for their tax year ending in 2018.

At the nominal statutory rates, applicants would have received \$3.70 million in tax credits. However the tax credits are limited to \$2 million. Therefore, the effective rate for the tax credit is reduced to 54 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 TY2018**

	<b>Company Name</b>	<b>Total Certified Credit Amount</b>
1	Clearshark, LLC	10,302
2	Omnyon LLC	20,158
3	Fuse Engineering, LLC	5,812
4	ShoreIT Solutions, LLC	673
5	Walker Engineering Solutions, LLC	30,908
6	CDG Advantage, LLC	6,041
7	Entegra Systems, Inc.	29,195
8	Sealing Technologies, Inc.	12,447
9	Fearless Solutions LLC	4,442
10	ATI, Inc.	32,476
11	Wyetech, LLC	5,003
12	Netorian Limited Liability Company	36,586
13	Clear Ridge Defense, LLC	6,341
14	Zadva Technologies, LLC	40,927
15	Transformational Security, LLC	16,215
16	INNOPLEX, LLC	26,747
17	Tiber Technologies, Inc.	8,036
18	Sunayu, LLC	11,188
19	Sound Engineering Solutions, Inc.	3,290
20	Quotient, Inc.	23,886
21	BTS Software Solutions, LLC	20,368
22	Grove Resource Solutions, Inc.	2,874
23	Visionist, Inc.	63,555
24	Chiron Holdings Inc.	48,177
25	Acquired Data Solutions, Inc.	1,381
26	ABM Facility Support Services LLC	25,536
27	Root3 Labs	573
28	Oakleaf Technology Group, Inc.	7,386
29	Percival, Inc.	1,070
30	Project Enhancement Corporation	10,928
31	Constellation Technologies, Inc.	16,269
32	BrainTrust Holdings, LLC	14,083
33	JASINT Consulting and Technologies, LLC	32,730
34	Advance Technology and Research Corporation	21,228
35	VariQ Corporation	39,733
36	CSRA LLC	107,879
37	General Dynamics Information Technology, Inc.	42,086
38	Anthem Engineering, LLC	4,236
39	Sabre Engineering, Inc.	2,913

40	Booz Allen Hamilton, Inc.	107,879
41	Grier Forensics, LLC	31,641
42	BCT LLC	96,102
43	INT3 Solutions, LLC	547
44	Augury, LLC	4,710
45	CyberLinx Solutions, LLC	546
46	Vision Technologies	26,300
47	JS Global, LLC	11,679
48	CACI, Inc. - Federal	80,148
49	Lingual Information System Technologies, Inc.	107,879
50	C.K. Signals, Inc.	8,760
51	Christopher M. Young, Inc.	32,564
52	Helm Point Solutions, Inc.	5,664
53	Cyrus Management Solutions, LLC	3,029
54	Phoenix Operations Group, LLC	20,407
55	ClearEdge IT Solutions, LLC	7,217
56	KJMK Management, Inc. t/a RealStreet	28,026
57	Northrop Grumman Systems Corporation	269,698
58	Tensley Consulting, Inc.	41,973
59	Ultisat, Inc.	22,032
60	Globecomm Services of Maryland LLC	22,466
61	ProObject, Inc.	112,462
62	Plex Solutions, LLC	13,648
63	Island Creek Associates, LLC	21,622
64	General Dynamics Mission Systems, Inc.	129,321
	<b>Total</b>	<b>\$2,000,000</b>