

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

ANNUAL STATUS REPORT
TAX YEAR 2014
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 2014**

***Maryland Employer Security Clearance Costs Tax Credit,
TYE 2014 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, 2015, businesses applied to Commerce for expenses incurred in the Tax Year Ending (TYE) 2014. After receiving certification, a business may amend its tax return to claim a credit. 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 48 businesses to receive credits for incurring \$4.84 million in employer security clearance costs in Maryland for their tax year ending in 2014.

At the nominal statutory rates, applicants would have received \$3.46 million in tax credits. However the tax credits are limited to \$2 million. Therefore, the effective rate for the tax credit is reduced to 57.75 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 TY2014

	Business Name	Total Certified Credit Amount
1	Tactical Network Solutions, LLC	2,019
2	Integral Consulting Services, Inc.	8,420
3	Staffing Alternatives, Inc.	21,855
4	Oakleaf Technology Group, Inc.	3,568
5	Transformational Security, LLC	12,662
6	Sealing Technologies, Inc.	32,630
7	Globecomm Services Maryland LLC	115,493
8	WOG, LLC d/b/a White Oak Group	29,667
9	Entegra Systems, Inc.	21,379
10	Tiber Technologies, Inc.	12,356
11	Clearshark, LLC	6,062
12	Project Enhancement Corporation	6,319
13	VariQ Corporation	35,793
14	Omnyon, LLC	6,587
15	Tensley Consulting, Inc.	26,564
16	MDA Information Systems, LLC	48,574
17	Critical Resources Group, LLC	6,062
18	Marble Mountain LC OOC	201,792
19	MORI Associates, Inc.	6,263
20	Netorian LLC	26,585
21	Masonco, LLC d/b/a GTS Services	12,272
22	Threehms, LLC d/b/a Facility Support Services	12,272
23	Nothrop Grumman Systems Corporation	288,732
24	Quotient, Inc.	72,993
25	Blackwatch International Corp	18,716
26	Asymmetrik, Ltd.	34,837
27	JS Global, LLC	21,608
28	Patriot Technologies, Inc.	2,541
29	Van Dyke Technology Group, Inc.	92,905
30	Cardinal Scientific, Inc.	1,982
31	Innoplex, LLC	45,059
32	Telecommunication Systems, Inc.	136,477
33	Anthem Engineering, LLC	2,698
34	Lingual Information System Technologies, Inc.	66,681
35	LJT & Associates, Inc.	23,553
36	C.K. Signals, Inc.	5,659
37	InfoZen, Inc.	41,044
38	CACI Technologies, Inc.	115,493
39	BCT, LLC	53,034
40	Herrick Technology Laboratories, Inc.	82,222
41	Clearedge IT Solutions, LLC	38,656

42	ATI, Inc.	4,199
43	Booz Allen Hamilton, Inc.	115,493
44	General Dynamics Advanced Information Systems, Inc.	23,420
45	Novetta, Inc.	16,770
46	Novetta, LLC	28,123
47	SigInt Technologies	1,891
48	Gray Graphics Corporation	10,021
	<i>Total Credit Amount</i>	<i>\$2,000,000</i>