



FISCAL YEAR 2017

Consolidated Incentives Performance Report

**As required by the Maryland Jobs Development Act
Economic Development Article § 2.5-109**

Pursuant to: Economic Development § 2-123

Economic Development § 3-404(e)

Economic Development § 5-315

Economic Development § 5-419

Economic Development § 5-512(c)(4)

Economic Development § 5-555(h)

Economic Development § 6-307

State Finance and Procurement § 7-314

Tax General § 10-721(g)(1)

Tax General § 10-725(h)(1)

Tax General § 10-730(e)

Tax General § 10-732(f)

Tax General §10-733

Respectfully submitted to the General Assembly of Maryland by

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February 2018**



Larry Hogan, Governor | Boyd Rutherford, Lt. Governor

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Contents

Background	1
Data by Program and Data by Recipient.....	1
Table 1: Program Activity.....	2
Evaluating Program Effectiveness	3
Limitations of the Evaluation	3
Program Evaluation.....	4
Program Impacts	7
Detailed Impact by Program and Purpose	7
1. Job Creation and retention	8
Economic Development Opportunities Program Fund (Sunny Day).....	9
One Maryland Tax Credit (OneMD)	9
Job Creation Tax Credit (JCTC)	10
Partnership for Workforce Quality (PWQ).....	11
MEDAAF Capability 1 - Significant Strategic Economic Development Opportunities.....	11
MEDAAF Capability 2 - Local Economic Development Opportunities	11
2. Local Government Support for Economic Development	12
MEDAAF Capability 3 - Direct Assistance to Local Jurisdictions or MEDCO.....	12
MEDAAF Capability 4 - Regional or Local Revolving Loan Funds	13
Community Development Block Grants (CDBG)	13
3. Leveraging private investment	14
Maryland Industrial Financing Authority (MIDFA).....	14
4. Assistance to small and minority businesses.....	14
Maryland Economic Adjustment Fund	14
Military Personnel and Veterans-Owned Small Business No-Interest Loan Program	15
Maryland Small Business Development Financing Authority (MSBDFA).....	15
Video Lottery Terminal Fund (VLT).....	17
5. Promoting technology startups and innovation	18
Biotechnology Investment Incentive Tax Credit (BIITC)	18
Cybersecurity Investment Incentive Tax Credit (CIITC)	18

Research and Development (R&D) Tax Credit	19
Maryland E-Novation Initiative	20
6. Economic diversification through targeted industry support.....	21
Employer Security Clearance Costs Tax Credit.....	21
Maryland Film Production Activity Tax Credit.....	22
Wineries and Vineyards Tax Credit.....	23
7. Special Purpose	23
MEDAAF Capability 5 - Special Purpose Grants and Loans	23
ExportMD	23
State Return on Investment for Commerce Incentives	25
Program Compliance.....	26

List of Tables

Table 1: Program Activity by Type.....	2
Table 2: Performance Outputs by Program.....	5
Table 3: Program Performance by Industry	6
Table 4: Summary of Impacts.....	8
Table 5: Return on Investment by program.....	26

List of Appendices

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

Appendix B: Biotechnology Investment Incentive Tax Credit QMBCs

Appendix C: Research and Development Tax Credits Certified

Appendix D: Employer Security Clearance Costs Tax Credit recipients

Appendix E: Wineries & Vineyards Tax Credit recipients

Appendix F: Recipients of Multiple Incentives

Appendix G: Compliance Triggers and Remedial Action

Background

The Maryland Department of Commerce (Department) is pleased to submit the FY 2017 Consolidated Incentives Report as required by the Maryland Jobs Development Act pursuant to Economic Development Article §2.5-109.

The Maryland Jobs Development Act requires the Department to report data on certain finance programs and tax incentive programs administered by the Department by December 31st of each year. Specifically, the report covers the following finance programs: Community Development Block Grant (CDBG), Maryland Economic Development Assistance Authority Fund (MEDAAF), Maryland Industrial Financing Authority (MIDFA), Military Personnel and Veteran-owned Small Business No-Interest Loan Program (Military/Veteran), Maryland Small Business Development Financing Authority (MSBDFA), Partnership for Workforce Quality (PWQ), Economic Development Opportunities Program Fund (Sunny Day), and Small, Minority, and Women-Owned Businesses Account - Video Lottery Terminal Fund (VLT). The report also covers the following tax incentive programs: One Maryland Tax Credit (OneMD), Job Creation Tax Credit (JCTC), Research and Development (R&D), Maryland Film Production Activity (Film), and the Biotechnology Investment Incentive (BIITC). Other programs not covered by the Jobs Development Act but included in this report are Maryland Economic Adjustment Fund (MEAF), Cybersecurity Investor Incentive Tax Credit (CIITC), Employer Security Clearance Costs Tax Credit, Wineries and Vineyards Tax Credit, E-Innovation Initiative Program and ExportMD. The Enterprise Zone Tax Credit Program submits a separate report on activities.¹ The following programs were moved to TEDCO: Maryland Venture Fund (MVF) and Biotechnology Development Awards (Biotech Grants) and so are no longer included in this report.

The report shall include data on the number of jobs created, the number of jobs retained; the estimated amount of State revenue generated; and any additional information required by the Department through regulations both in the aggregate and disaggregate by each program and each recipient. Additionally, the Department must implement a process to assist recipients of such program(s) to ensure compliance with program requirements. The report is produced by the Department's Office of Research based on the Department's Finance Tracker data and program reports for **settled** projects receiving incentives in FY 2017.

Data by Program and Data by Recipient

The detailed information has been compiled in the Department's Finance Tracker. Finance Tracker is the Department's on-line database for maintaining records of grants, tax credits, equity investments and loan enhancements. Finance Tracker includes information on incentives provided to companies for FY 2009-2017. Users can search and sort data by company, industry, location and program. Please visit <http://commerce.maryland.gov/fund/maryland-finance-tracker> to view this information and the summary in Appendix A.

¹ The Enterprise Zone program is a joint effort between the State and local governments and Commerce does not certify businesses for the credits.

Table 1 below summarizes FY 2017 activity by the number of clients and incentive amount. The FY 2017 activity covers 575 recipients totaling \$82.1 million in grants, loans and loan guarantees and \$76.6 million in tax incentives. The largest number of transactions was the Research and Development Tax Credit, with 229 recipients of \$9 million in tax credits. There were 93 recipients of Video Lottery Terminal Fund financing totaling \$10.2 million. The Department's major finance program, the Maryland Economic Development Assistance Authority Fund (MEDAAF) had 15 transactions totaling \$10.6 million. Twelve companies received Job Creation Tax Credits (JCTC) and seven received One Maryland Tax Credits (OneMD). There were 24 companies receiving investment from 164 investors through the Biotechnology Investment Incentive Tax Credit (BIITC). Film Production Activity Tax Credits of \$13.5 million supported one major television production in Maryland.

Table 1: Program Activity by Type

Program	Count of Recipient	Loan/Grant Amount	Loan Guarantee Amount ¹	Tax Credit Amount ²
Loans/Grants/Investment				
E-Nnovation Initiative Program	8	8,499,500	-	-
Export MD Grant	66	365,000	-	-
Maryland Economic Adjustment Fund	2	300,000	-	-
Maryland Economic Development Assistance Authority Fund	15	10,585,625	-	-
Maryland Industrial Financing Act	2	16,700,000	7,100,030	-
Military Personnel and Service-Disabled Veterans No-Interest Loan Program	3	150,000	-	-
Maryland Small Business Development Financing Authority	21	7,293,000	932,250	-
Sunny Day	1	20,000,000	-	-
Video Lottery Terminal Fund	93	10,232,824	-	-
Tax Credits				
Biotechnology Investment Incentive	24	-	-	12,178,133
Cybersecurity Investment Incentive	3	-	-	373,890
Employer Security Clearances Costs	50	-	-	2,000,000
Film Production Activity Tax Credit	1	-	-	13,500,000
Job Creation Tax Credit	12	-	-	2,050,898
One Maryland Tax Credit	7	-	-	37,014,554
R&D Tax Credit	229	-	-	9,000,000
Wineries and Vineyards	38	-	-	500,000
Totals	575	74,125,949	8,032,280	76,617,475

Source: Department of Commerce

¹ Includes credit enhancements and guaranties

² Tax credits are certified amount. OneMD and JCTC tax credits are estimated based on project costs and job creation. Actual tax credits amounts are confidential Comptroller office information.

Thirty-seven companies received multiple incentives from multiple programs. The list is presented in Appendix F. In eight cases, the jobs reported apply to more than one program. In cases where job impacts are reported for multiple programs the estimated job impacts are allocated to only one program to avoid double counting impacts. This resulted in reducing the total number of reported jobs by 204 jobs.

Evaluating Program Effectiveness

Program evaluation is one of the most vital steps in the economic development process. But it is also one of the most difficult because of the need for better indicators to measure outcomes. Job creation is the primary, but not the only, intent of economic development programs. While jobs, wages and investment are the main metrics for most incentive programs, they are not necessarily the most appropriate. Community development, workforce and innovation/entrepreneurship programs require different measures to determine effectiveness. The Center for Regional Economic Competitiveness recommends performance indicators that address jobs quality and business dynamics, such as wage levels and benefits, and indicators related to innovation, productivity or global business activity.²

Limitations of the Evaluation

- *Indicators not aligned with program goals.* Jobs and investment may not be appropriate indicators for all types of incentive programs given their various objectives and the business needs they are intended to address. Ideally, economic development programs should be evaluated according to their stated intent and expected outcomes. In the absence of clearly stated goals, evaluations default to the least common denominator metrics of jobs and investment even if these indicators are not particularly relevant.
- *Comparability of programs.* Using jobs as a common metric invites comparison among programs that may not be valid. A program that creates fewer jobs may not be less effective if the intent of the program is to encourage start-up activity in an emerging industry sector.
- *Data quality.* Collecting data from incentive recipients requires a difficult balance between requiring more company-provided data and reducing the administrative burden for companies. Company-reported data also requires security measures that are adequate to protect confidential data and adequate staff resources to collect and process the data.
- *Time-frame for evaluation.* Most economic development programs are designed to have long-term impacts, requiring that companies maintain employment to receive incentives. A one-year snapshot of activity does not take into account those ongoing impacts and the revenues generated.
- *Estimating revenues.* Fiscal impact analysis tools are estimates of possible revenues based on employment and wages. Estimating revenue impacts of capital expenditures requires a case by case analysis. Further, it is not possible to include possible revenues from corporate taxes as those vary considerably based on individual circumstance.

² Redefining Economic Development Performance Indicators for a Field in Transition, Center for Regional Economic Competitiveness, July 2017

- *Intangible impacts.* Other benefits such as promoting an industry or a region are difficult to quantify.

A more rigorous evaluation would attempt to evaluate the incentives according to their stated legislative intent. Using jobs, wages and investment provides a common metric for comparison of programs.

Program Evaluation

This section provides an analysis of the available performance information and explanation of the evaluation results. The information is provided by the program administrators from performance agreements and applications submitted at the time of the transaction. The Commerce evaluation uses jobs, wages and investment as the main metrics to estimate the tax revenues returned to the State from its incentive investments. In some cases, where job creation is not a requirement of the program, the amount of project spending in Maryland is used to estimate the number of full-time equivalent jobs supported by the project.

Table 2 summarizes the information by program for the number of clients, incentive amount, and direct jobs created and/or retained and total expenditures associated with the project. Financing programs represent projects with a total of 211 clients and \$82.1 million in settled approved transactions. Tax credits represent 364 clients, with 229 of those in R&D tax credits.

Table 3 summarizes program activity by the industry supported. The mix of industries changes every year based on demand but in general, the majority of assistance goes to the professional and technical services sector and to manufacturing. In FY 2017, Manufacturing received the largest dollar amount with 27 percent of total assistance. Arts, Entertainment and recreation received 15%, including a taxable bond issuance for Merriweather Post Pavilion improvements. The wholesale trade sector received 12 percent of assistance. Professional, scientific, and technical services companies received 9 percent of total assistance. These include many technology companies such as those in biotech research, information technology and cybersecurity, as well as professional services and engineering. In relation to the industry's share of the State Gross Domestic Product (GDP) and employment, manufacturing received the largest proportion of assistance, followed by information, wholesale trade, and professional services.

Table 2: Performance Outputs by Program

Program	Recipients	Loan/Grant Amount	Loan Guarantee Amount	Reported New/Retained Jobs	Project Expenditures
E-Nnovation Initiative	8	8,499,500			8,499,500
Export MD	66	365,000		580	56,430,750
MEAF	2	300,000		151	914,000
MEDAAF	15	10,585,625		6315	218,720,000
MEDAAF-2	12	5,854,500		4,515	207,257,000
MEDAAF-3	3	4,731,125		1,800	11,463,000
MIDFA	2	16,700,000	7,100,030	32	28,200,000
Military/Veteran	3	150,000		35	150,000
MSBDFA	21	7,293,000	932,250	510	10,842,000
Sunny Day	1	20,000,000		10000	120,000,000
VLT	93	10,232,824		1495	43,863,459
Loan/Grant Total	211	74,125,949	8,032,280	19,118	487,619,709

Tax Credits	Recipients	Certified Tax Credit Amount	Certified Jobs	Project Expenditures		
BIITC	24	12,178,133	202			
Cybersecurity	3	373,890	14			
Employer Security Costs	50	2,000,000	4,686	13,134,769		
Film	1	13,500,000	1,809	75,572,507		
JCTC	12	2,050,898	827			
OneMD Tax Credit	7	37,014,554	329	37,014,554		
Research & Development	229	9,000,000				
Wineries & Vineyards	38	500,000		3,114,190		
Tax Credit Total	364	76,617,475	7,867	128,836,019		
Grand Total	575	\$74,125,949	\$8,032,280	\$76,617,475	26,985	\$616,455,728

¹MIDFA Amount is the amount of bonds issuances or private sector loans; MIDFA does not provide direct funding

²Amount of OneMD and JCTC tax credits are an estimation based on the allowable project costs, jobs and wages. Actual tax credits amounts are calculated on the recipients' tax returns and are therefore confidential Comptroller office information.

Table 3: Program Performance by Industry

Industry	Recipients	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Total Jobs	Project Expenditures
Accommodation and Food Services	18	2,488,490		5,500,000	447	32,386,500
Arts, Entertainment, and Recreation	5	16,570,000	7,000,000		46	28,015,000
Construction	19	1,113,000		108,080	507	8,536,921
Educational Services	14	11,255,500		22,464	1,672	24,314,500
Health Care and Social Assistance	11	1,951,000			1,251	12,430,359
Information	31	978,000		14,279,455	2,115	82,675,473
Manufacturing	166	24,185,500	317,250	17,699,161	12,036	330,874,919
Professional, Scientific and Technical Services	195	3,152,500	715,030	10,000,418	4,979	25,445,203
Retail Trade	10	1,406,834		7,444	61	1,140,000
Transportation and Warehousing	18	767,000		11,334,574	410	12,741,000
Utilities	3	850,000			7	1,500,000
Wholesale Trade	32	1,469,000		17,297,134	720	35,423,554
Administrative and Support Services	17	2,075,000		58,054	271	3,859,544
Agriculture	15	500,000		58,564	14	464,756
Finance, Insurance, Real Estate	17	90,000		208,437	151	150,000
Other Services	7	447,000		1,978	491	4,935,000
Unclassified	2	90,000			6	0

Program Impacts

The following analysis uses direct jobs where available to evaluate the total impact of programs. Direct jobs include newly created jobs and jobs retained by the project. In some cases where job numbers are not a requirement of the program, the amount of project spending in Maryland is used to estimate the number of full-time equivalent jobs supported by the project. These estimates are based on spending patterns from the IMPLAN economic model for the State³. The total jobs number includes the secondary, or multiplier effects of the jobs (direct, indirect and induced). The estimates of secondary jobs and wages also are based on the IMPLAN economic model for the State.

Based on the total jobs and wages, the annual State tax revenue from those jobs is estimated. For this report, impacts are estimated for a one-year period, providing a snapshot of FY17 activity. However, this approach does not take into account the ongoing impacts generated by the incentives. In most cases, the jobs and investment supported by the incentives are required to remain in Maryland over a period of years. Those long-term impacts are not included in this report but should be considered when evaluating each program individually.

State revenue impacts are estimated based on average State income and sales tax payments by income class for the total jobs generated by the project.⁴ Although other revenues may be generated such as State and local property taxes from property improvements, corporate income taxes and other taxes and fees, these are not included in the revenue estimates. Such impacts may be evaluated by the Department in the case of individual projects, but not in aggregate for the purposes of this report.

Detailed Impact by Program and Purpose

The following section summarizes the job and revenue impacts of each program based on the available information and according to the intent of the program. Job creation is the primary, but not the only, intent of economic development programs. For example, the BIITC was enacted to grow Maryland's Biotechnology industry by encouraging investment in early-stage Maryland Biotechnology companies. The film production tax credit is intended to promote the film industry in Maryland and the Research and Development tax credit supports R&D spending in Maryland. Combined, the portfolio of economic development incentives should be measured for overall effectiveness in growing the strategic industries and diversifying the economy to be sustainable for the long term.

The evaluation is organized according to these general economic development objectives:

- Job creation and retention
- Support for Local economic development
- Leveraging private sector investment in economic development
- Assistance to small, disadvantaged and minority businesses and/or underserved areas
- Promoting startups and innovation through technology commercialization and investment
- Economic diversification through targeted growth industry promotion

³ IMPLAN Group LLC, IMPLAN System (data and software), Huntersville, NC 28078, www.implan.com

⁴ Office of the Comptroller, Income Tax Summary Report, Tax Year 2016
http://finances.marylandtaxes.gov/static_files/revenue/incometaxsummary/summary16.pdf

Table 4 summarizes the impact results by program and their primary purpose using the above categories. Overall, the combined programs generate \$12.6 billion in economic output, support nearly 52,000 jobs and total wages of \$3.1 billion at an average annual wage of \$59,700, generating annual State tax revenues of \$177.9 million.

Table 4: Summary of Impacts

	Economic Output	Total Jobs (Direct and Secondary)	Average Annual salary	Annual State Tax Revenues
1. Job creation and retention	\$10,020,361,418	38,333	\$64,019	\$140,628,483
Job Creation Tax Credit	263,357,916	1,612	52,167	4,915,263
MEDAAF 2 - Economic Development Opportunities	1,686,338,747	8,709	39,303	20,177,582
One Maryland Tax Credit	141,462,624	686	52,039	2,085,583
Sunny Day	7,929,202,131	27,326	72,896	113,450,055
2. Local Government support for economic development	976,306,991	5,166	56,332	16,709,294
MEDAAF 3 - Direct assistance to Local Governments	976,306,991	5,166	56,332	16,709,294
3. Leveraging private sector investment	54,498,513	352	38,161	809,840
Maryland Industrial Financing Authority	54,498,513	352	38,161	809,840
4. Assistance to small and minority businesses	518,363,394	3,506	33,688	6,850,173
MD Economic Adjustment Fund	30,109,199	221	31,530	413,596
Military Personnel/ Veteran-owned small business	8,357,275	58	35,875	125,123
Maryland Small Business Development Financing	140,546,407	859	35,629	1,772,307
Video Lottery Terminal Fund	339,350,512	2,368	33,132	4,539,148
5. Startups and Innovation	779,373,082	2,883	57,759	9,459,779
Biotech Investment Incentive Tax Credit	216,860,930	681	60,475	2,361,702
Cybersecurity Investor Incentive Tax Credit	5,928,471	34	59,063	114,873
E-Novation	14,885,752	99	53,073	307,164
Research & Development Tax Credit	541,697,928	2,069	57,068	6,676,041
6. Targeted Industry promotion	158,255,103	1,181	28,992	1,992,939
Employer Security Costs Tax Credit	24,521,359	152	57,984	500,233
Film Production Activity Tax Credit	128,805,981	1,008	24,532	1,451,919
Wineries & Vineyards	4,927,762	21	33,559	40,787
7. Special Purpose	91,275,302	486	50,852	1,444,027
ExportMD	91,275,302	486	50,852	1,444,027
Total	\$12,598,433,802	51,908	\$59,762	\$177,894,536

1. Job Creation and retention

Many programs have overarching objectives with job creation serving as the common measure. Most of the Department's programs are evaluated based on job creation, either directly or indirectly. However, there are many ways of achieving job creation either through incentives to individual companies, growing strategic industries or developing new economic activities. The primary way that economic development programs create jobs is to bring new economic activity

and spending to a region that would not otherwise occur. Therefore, most economic development programs are targeted to basic industries, those exporting from the region and bringing wealth from outside, with non-basic (or service) industries supporting those basic industries and growing as the new activities develop. Programs may provide incentives based on job creation and/or on investment, which in turn generates jobs through increased economic activity. The core metrics for these programs are new and retained jobs and wages.

Economic Development Opportunities Program Fund (Sunny Day)

The Economic Development Opportunities Program Fund, known as Sunny Day, was enacted in 1988 to enable Maryland to act on extraordinary economic development proposals that required financial assistance beyond the capabilities of other state and local financing programs. Sunny Day funds are loaned, granted or invested to assist in the retention and expansion of existing business, or the establishment and attraction of new business in Maryland. In fiscal year 2017 one Sunny Day Conditional loan for \$20 million was settled for Northrop Grumman to consolidate business units, retaining 10,000 jobs in Maryland. The Northrop Grumman Mission Systems headquarters project includes \$120 million in capital expenditures by the company to purchase and rehab two buildings.

Sunny Day FY 2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	10,000	\$1,298,690,300	\$72,705,640
Secondary	17,326	\$693,274,160	\$40,744,420
Total	27,326	\$1,991,964,460	\$113,450,060

Commerce analysis using IMPLAN, Amounts in 2017 dollars

One Maryland Tax Credit (OneMD)

The One Maryland Tax Credit (OneMD) was enacted in 1999 to promote job creation and investment in qualified distressed communities, those counties with high unemployment and low per capita income compared to the rest of Maryland. To qualify for the credits, the business must create at least 25 new jobs and make capital expenditures. The jobs must be full-time, pay at least 150 percent of federal minimum wage and the business must be in a targeted industry sector.

In FY 2017, the Department issued Final Certificates of Eligibility to six companies for seven projects. The businesses reported creating 329 new jobs and eligible project expenditures of \$37 million. The 329 direct jobs generate 686 total jobs for \$2.1 million in annual tax revenues to the State. The project costs are the expenses incurred for the acquisition, construction, rehabilitation, installation, and equipping of an eligible project. Additional start-up costs are for the expense of moving a business from outside Maryland and the costs of furnishing and equipping a new location. These activities generate additional direct jobs to the State outside of the direct jobs but these are not included.

One Maryland Tax Credits FY2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	329	\$21,832,020	\$1,280,540
Secondary	357	\$13,856,980	\$805,040
Total	686	\$35,689,000	\$2,085,580

Commerce analysis using IMPLAN, Amounts in 2017 dollars

The amount of tax credits actually claimed by the company is not known to the Department. However, based on the eligible project costs, the companies could be eligible to claim as much as \$37 million in credits over 14 years. As a non-discretionary tax credit, the applicants must demonstrate that they have met job creation and investment targets prior to claiming the credits. Businesses with a large income tax liability and that create a large number of jobs use the credit more quickly than businesses that create a smaller number of jobs and have little or no tax liability. Businesses have 14 years to carry the credit forward, but they must maintain the jobs for that period. Because the refundable portion of the credit is limited to the payroll withholding of the qualified jobs, the businesses that create a large number of jobs will accelerate their ability to use their full credit. However, those with smaller job numbers or lower wages (but above the \$13.88 minimum) may not be able to take the full tax credit.

Job Creation Tax Credit (JCTC)

The Job Creation Tax Credit (JCTC) was enacted in 1996 to encourage businesses to create new jobs in Maryland. The credit is available Statewide, but lower job thresholds and increased credits are available in targeted areas. The credits are available for full-time jobs, paying at least 150 percent of federal minimum wage in targeted industry sectors. The JCTC is available anywhere in the State in a variety of targeted industry sectors.

In FY 2017, the Department issued final certificates of eligibility for the JCTC to 12 companies who reported creating 958 new jobs in Maryland. The amount of tax credits actually claimed by the company is not known to the Department because of taxpayer confidentiality. However, based on the eligible jobs and wages, the companies could be eligible to claim as much as \$2,050,898 in credits. Two of the JCTC recipients also received OneMaryland tax credits so the jobs were adjusted to avoid double counting impacts. These 827 jobs are estimated to generate 1,612 total jobs and \$4.9 million in annual tax revenues to the State.

JCTC FY 2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	827	\$54,439,230	\$3,193,090
Secondary	785	\$29,666,540	\$1,722,180
Total	1,612	\$84,105,770	\$4,915,260

Commerce analysis using IMPLAN, Amounts in 2017 dollars

Partnership for Workforce Quality (PWQ)

The Partnership for Workforce Quality Program (PWQ) was established by legislation in 1989 to assist Maryland companies to invest in training for employees. The funds enable companies to acquire new skills and technologies that have been identified by the business plan as a catalyst for growth and competitiveness in the industry. PWQ helps participating companies develop and implement training systems to improve business competitiveness and worker productivity, upgrade the skills of workers to accommodate new technologies and production processes, and promote employment stability. Funds are disbursed to eligible Maryland companies in the form of grants for up to 50 percent of qualified reimbursable direct cost of training. There were no settled transactions in FY 2017.

Maryland Economic Development Assistance Authority Fund (MEDAAF)

The Maryland Economic Development Assistance Authority Fund (MEDAAF) is the primary economic development finance tool offered by the Department. MEDAAF was enacted in 1999 to provide below market, fixed rate financing to growth industry sector businesses, locating or expanding in priority funding areas of the State. The MEDAAF program is administered under five capabilities that address appropriate economic development opportunities for both the business community and political jurisdictions as follows:

- MEDAAF Capability 1 - Significant Strategic Economic Development Opportunities
- MEDAAF Capability 2 - Local Economic Development Opportunities
- MEDAAF Capability 3 - Direct Assistance to Local Jurisdictions or MEDCO
- MEDAAF Capability 4 - Regional or Local Revolving Loan Funds
- MEDAAF Capability 5 - Special Purpose Grants and Loans/Brownfields

The primary job creation capabilities are MEDAAF-1 and 2. MEDAAF-3 provides direct assistance to local jurisdictions for economic development projects and MEDAAF-4 provides for local governments to create revolving loan funds to assist small businesses. MEDAAF-5 has several special purposes including day care facility finance, Arts and Entertainment Districts, and brownfield remediation.

MEDAAF Capability 1 - Significant Strategic Economic Development Opportunities

Projects under this capability are normally regarded as producing significant economic development opportunities on a Statewide or regional level. Assistance is provided directly to businesses or through the Maryland Economic Development Corporation (MEDCO) in the form of a loan. The maximum assistance under this capability cannot exceed the lesser of \$10,000,000 or 20 percent of the current fund balance. This capability has had limited use for a number of years and there was no activity in FY 2017.

MEDAAF Capability 2 - Local Economic Development Opportunities

Capability 2 of MEDAAF provides assistance in the form of a loan, a conditional loan, investment, or a grant directly to a business or to MEDCO for use in the project. All assistance under this capability must be endorsed through a formal resolution by the governing body of the jurisdiction in which the project is located. In addition, the local jurisdiction must participate in

an amount equal to at least 10 percent of the total assistance. Funds may be used for land acquisition, infrastructure improvements, buildings, fixed assets and leasehold improvements.

Twelve companies received funding under MEDAAF-2 totaling \$5.8 million in FY 2017. The assistance takes the form of conditional loans and conditional grants. The recipients include four manufacturers, two construction contractors, a health care facility and several wholesalers and distributors. The companies committed to creating 1,954 new jobs and retaining 2,561 jobs for a total of 4,515 direct jobs. With an average annual salary over \$39,000, the direct jobs are estimated to generate \$10.9 million in annual State revenues. Including secondary impacts, the annual State revenues are over \$20 million. In addition, project costs totaling \$207 million may generate additional economic activity and revenues for the State although these are not included in the impacts below.

MEDAAF-2 FY2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	4,515	\$187,116,470	\$10,948,600
Secondary	4,194	\$155,184,570	\$9,228,980
Total	8,709	\$342,301,040	\$20,177,580

Commerce analysis using IMPLAN, Amounts in 2017 dollars

2. Local Government Support for Economic Development

Commerce partners with numerous agencies and organizations to bring strategic economic development opportunities to communities throughout Maryland. The Department may provide funding to a local jurisdiction or to the Maryland Economic Development Corporations for commercial and industrial economic development projects, strategic plans, feasibility studies, revolving loan funds and infrastructure projects. There may be no reported immediate job impacts of these projects, as the funds go directly to the jurisdiction and not to a business. The evaluation therefore should be based on results reported by the community in terms of assistance leveraged and project costs.

MEDAAF Capability 3 - Direct Assistance to Local Jurisdictions or MEDCO

Capability 3 of MEDAAF provides assistance directly to a local jurisdiction or MEDCO for local economic development needs including feasibility studies, economic development strategic plans, and infrastructure. Funds may be used for buildings, infrastructure improvements, fixed assets and leasehold improvements. All assistance under this capability must be endorsed through a formal resolution by the governing body of the jurisdiction in which the project is located.

Assistance provided may be in the form of a loan, a conditional loan, investment, or a grant. During FY 2017, the Department completed three transactions totaling \$4,731,125 consisting of a grant to the Town of Oxford for a local strategic plan, a One Maryland conditional loan to Baltimore Development Corporation for the expansion of Morgan Stanley, and a conditional grant to the Town of Indian Head for the Maryland Broadband Cooperative to assist in the construction of fiber optic from the Naval Support Facility.

These projects reported \$11.5 million in project costs. The projects are estimated to generate 1,800 direct jobs and \$162 million in wages. The direct and secondary jobs are estimated to generate \$16.7 million in annual State revenues. The project investments may generate construction jobs related to the infrastructure improvements but these are not included. There are no reported immediate job impacts of the feasibility studies or strategic plans, as the funds go directly to the jurisdiction and not to a business.

MEDAAF-3 FY2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	1,800	\$162,383,820	\$9,228,480
Secondary	3,366	\$128,650,620	\$7,480,820
Total	5,166	\$291,034,430	\$16,709,290

Commerce analysis using IMPLAN, Amounts in 2017 dollars

MEDAAF Capability 4 - Regional or Local Revolving Loan Funds

Capability 4 of MEDAAF provides assistance to local jurisdictions to help capitalize local economic development revolving loan funds. The typical revolving loan fund client is a small business that may be in an industry sector, such as retail service, that is not otherwise eligible for assistance. The final recipient of financing is determined by the local jurisdiction. Jurisdictions may receive funding of up to \$250,000 annually. To qualify for funding, local jurisdictions must provide acceptable matching funds into the designated revolving loan fund. With the growth in available funding through the State's Small, Minority, and Women-Owned Businesses Account - Video Lottery Terminal Fund there has been less demand for the revolving loan fund and there was no activity in FY 2017.

Community Development Block Grants (CDBG)

CDBG is a Federally funded program that provides communities with resources to address a wide range of unique community development needs. Funds are allocated to States and Small Cities based on poverty and population statistics. Maryland's CDBG program is administered jointly by DHCD and the Department. Approximately 25 percent of the State's annual CDBG award is allocated to the Department for job creation. Under federal guidelines, the assistance must be targeted to low and moderate-income citizens in non-urban areas of the State. The Department's strategy for use of CDBG-ED funds emphasizes support of local government economic development initiatives that encourage commercial and industrial growth, workforce training, commercial revitalization, and development and growth of small businesses. Funds are disbursed to local jurisdictions in the form of a conditional grant. The local jurisdiction may lend the funds to a commercial enterprise or directly use the funds for infrastructure improvements needed by businesses or other eligible projects. Eligible projects include revolving loan funds that serve the needs of local businesses. There was no activity in FY 2017.

3. Leveraging private investment

To help secure more funding for Maryland's entrepreneurs and reduce risk, Commerce programs encourage private sector investments with insurance and the issuance of tax-exempt and taxable revenue bonds.

Maryland Industrial Financing Authority (MIDFA)

The Maryland Industrial Development Financing Authority (MIDFA) was established by the Maryland General Assembly in 1965 to promote significant economic development by providing financing support to manufacturing, industrial and technology businesses located in or moving to Maryland. MIDFA encourages private sector investments through the use of insurance, the issuance of tax-exempt and taxable revenue bonds and linked deposits, which reduces a lender's risk and increase access to capital for small and mid-sized companies. The Program has increased its commitment to growth and development of small business by increasing outreach efforts to community banks.

The Fund does not provide direct loans, but provides insurance to transactions resulting in reduced credit risks, and enabling better terms from private financial institutions. During FY 2017, MIDFA settled one Conventional Insurance transaction totaling \$700,000 and insured for \$100,030. The company reported 26 new jobs and 6 retained jobs and project costs of \$700,000. A MIDFA taxable bond of \$16 million was issued to support Merriweather Post Pavilion improvements.

MIDFA FY2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	199	\$7,880,160	\$480,850
Secondary	153	\$5,561,470	\$328,990
Total	352	\$13,441,630	\$809,840

Commerce analysis using IMPLAN, Amounts in 2017 dollars

4. Assistance to small and minority businesses

Another economic development priority is to target assistance to populations and areas that have been underserved compared to the rest of the region. Several of the Department's job creation programs, such as One Maryland tax credits are limited to those jurisdictions with higher levels of unemployment or lower incomes than the rest of the State. These targeted programs aim to ensure that economic development incentives are used broadly across the State. Unlike most economic development incentives, these programs may be used for non-basic industries such as retail, which may not bring new spending into the State, but that support existing businesses and entrepreneurs, that are in areas experiencing greater economic distress.

Maryland Economic Adjustment Fund

The Maryland Economic Adjustment Fund (MEAF) was established in 1994 as a revolving loan fund to assist companies experiencing dislocation due to defense adjustments. MEAF is supported by funds from the US Economic Development Administration and the State. Funding

assistance through MEAF assists small businesses with upgrading manufacturing operations, developing commercial applications for technology, or entering into and competing in new economic markets. Eligible businesses include manufacturers, wholesalers, service companies, and skilled trades. Funds can be used for working capital machinery and equipment, building renovations, real estate acquisitions and site improvements. Two transactions settled in FY 2017 for \$300,000, creating and retaining 151 jobs. The businesses supported are a day care facility in Catonsville and Smith Island Bakery.

MEAF FY2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	151	\$4,152,910	\$247,870
Secondary	70	\$2,814,670	\$165,730
Total	221	\$6,967,580	\$413,600

Commerce analysis using IMPLAN, Amounts in 2017 dollars

Military Personnel and Veterans-Owned Small Business No-Interest Loan Program

The Military Personnel and Veterans-Owned Small Business No-Interest Loan Program (MPVSBLP) was enacted originally in 2006 to assist with costs that result from the call to active duty for businesses owned by military reservists and National Guard members and for small businesses that employ such persons. In the 2013 Legislative session, the Maryland General Assembly approved Chapter 105, which altered the name and expanded eligibility for participation in the program to include all veteran-owned small businesses. The change also eliminated the requirement for a veteran to have a service related disability to use the program.

During fiscal year 2017, the Department settled three MPVSBLP transactions that will utilize \$150,000 of program funds. These projects are anticipated to create 28 jobs and retain 7. Recipients include a fitness company, an environmental technology company, and a commercial realtor.

Military/Veteran Small Business FY2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	35	\$1,265,120	\$77,200
Secondary	23	\$810,260	\$47,920
Total	58	\$2,075,380	\$125,120

Commerce analysis using IMPLAN, Amounts in 2017 dollars

Maryland Small Business Development Financing Authority (MSBDFA)

The Maryland Small Business Development Financing Authority (MSBDFA) was enacted in 1978 to promote the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs. In 2001, the Maryland General Assembly modified the statute to include all small businesses that do not meet the credit criteria of financial institutions, and consequently are unable to obtain adequate business financing on reasonable terms through

normal financing channels. Meridian Management Group, Inc. (MMG) manages the funds under contract with the Department.

MSBDFA offers contract financing, surety bonds, guaranty funds and equity participation. During FY 2017, 21 transactions settled in the form of loans, guaranties and surety bonds, totaling \$7.3 million.

- The Contract Financing Program (CFP) provides financial assistance to eligible businesses in the form of direct loans and loan guaranties. The funds may be used for working capital and the acquisition of equipment needed to begin, continue, or complete work on contracts where a majority of funds are provided by a federal, state or local government agency or utilities regulated by the Public Service Commission. During FY 2017, four loan transactions closed totaling \$1.5 million.
- Guaranty Fund Program (GFP) provides financial assistance to eligible businesses in the form of loan guaranties and interest rate subsidies for loans made by financial institutions. During FY 2017, there were three transactions under the Guaranty Fund component requiring \$932,250 of guarantee support.
- Surety Bond Program (SBP) assists eligible small businesses in obtaining bid, performance or payment bonds necessary to perform on contracts where the majority of funds are provided by a government agency, public utility company or private entity. During FY 2017, one surety bond transaction settled for \$200,000.
- Equity Participation Investment Program's (EPIP) purpose is to expand business ownership by socially and economically disadvantaged entrepreneurs and small businesses that do not meet the established credit criteria of financial institutions and are unable to obtain adequate business financing on reasonable terms through normal financing channels. Financial assistance is provided through the use of loans, loan guaranties, and equity investments. In FY 2017, there were 13 EPIP transactions equal to \$4.27 million.

In total, there were 21 settled transactions for 19 recipients of MSBDFA assistance in FY 2017. The recipients reported 176 new jobs, 339 retained jobs and total project costs of \$10.8 million. Three of the recipients received multiple awards and three received financing through the Video Lottery Terminal loan fund through MMG. The direct jobs reported by the recipients are divided between the MSBDFA impacts and the VLT impacts. The 510 jobs are estimated to generate 349 additional jobs and total annual State revenues of \$1.8 million.

MSBDFA FY2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	510	\$17,048,490	\$983,680
Secondary	349	\$13,570,300	\$788,620
Total	859	\$30,618,780	\$1,772,310

Commerce analysis using IMPLAN, Amounts in 2017 dollars

Video Lottery Terminal Fund (VLT)

The Small, Minority, and Women-Owned Businesses Account- Video Lottery Terminal Fund (VLT) provides investment capital and loans to small, minority, and women-owned businesses in the State. The 2007 legislation establishing VLTs in Maryland created the Small, Minority, and Women-Owned Businesses Account. State Law generally requires that 1.5 percent of VLT proceeds be paid into the Account to be used by the Board of Public Works (BPW) to make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State, of which at least 50 percent must be allocated to such businesses in the jurisdictions and communities surrounding a video lottery facility. The Department is the designated administrator of the funds. Eligible Fund Managers oversee the distribution of video lottery terminal funds. In FY 2017, there were eight designated fund managers that received funds for the purpose of making loans to small, minority, and women-owned businesses in the State.

- Anne Arundel Economic Development Corporation (AAEDC) settled 9 transactions totaling \$1,240,000.
- Baltimore County Department of Economic and Workforce Development settled 5 transactions totaling \$625,000.
- Baltimore Development Corp. settled 5 transactions totaling \$745,000.
- FSC First Prince George's settled 4 transactions totaling \$855,000.
- Howard County Economic Development Authority settled 16 transactions totaling \$2,150,000.
- Maryland Capital Enterprises Inc. (MCE) settled 35 transactions totaling \$ 1,4654,500.
- Meridian Management Group, Inc. (MMG) settled 16 transactions totaling \$2,483,324.
- Tri County Council for Western Maryland settled 3 transactions totaling \$670,000.

Of the 93 businesses supported by the VLT funds two-thirds are considered “microenterprises,” half are minority-owned and one-fourth are women-owned. The largest industry sectors supported are food services, retail trade, manufacturing, construction, and IT. Over half of the recipients used the funds for working capital. Other uses were building acquisition, start-up funds, remodeling and property improvements, and equipment purchases.

In total, the fund managers reported that loans totaling \$10,232,824 supported 552 new jobs and retained 943 jobs. The transactions are estimated to result in 2,368 total jobs and \$4.5 million in annual State revenue.

VLT FY 2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	1,495	\$45,744,900	\$2,639,440
Secondary	873	\$32,699,480	\$1,899,700
Total	2,368	\$78,444,380	\$4,539,150

Commerce analysis using IMPLAN, Amounts in 2017 dollars

5. Promoting technology startups and innovation

Another strategy for promoting economic growth is promoting technology innovation. Through the process of invention and commercialization, new economic activity is created that attracts investment and spending from outside the region. These kinds of activities may require different incentives, as the needs of technology startups differ from those of existing businesses. The goal is to trigger the higher wages and faster growth these activities stimulate. Maryland has a number of programs that are designed to take advantage of the State's unique opportunities in areas of technology and innovation. These include the State's incubators, TEDCO programs, university technology transfer, tax credits and direct investment. The goal is the commercialization of existing technology to create new economic activity and the creation of new startups. The core metric is generally related to the amount of investment leveraged, the number of startups nurtured, and "graduations" from incubators. The number of jobs created by the recipients is generally smaller than other programs initially, with greater potential for growth in later years.

Biotechnology Investment Incentive Tax Credit (BIITC)

Maryland's Biotechnology Investment Incentive Tax Credit (BIITC) program provides income tax credits for investors that invest in Qualified Maryland Biotechnology Companies (QMBCs). This tax credit program was enacted in 2005 to offer incentives for investment in seed and early stage, privately held biotech companies. In Fiscal Year 2017, the appropriation was \$12 million. There were 24 QMBCs to qualify for investments through the program in FY 2017. The amount of Final Tax Credit Certificates awarded was \$12,178,133, leveraging \$24.2 million in investment from 164 investors. The QMBCs reported 202 jobs supported in Maryland.

BIITC FY 2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	202	\$19,740,030	\$1,121,850
Secondary	479	\$21,461,460	\$1,239,850
Total	681	\$41,201,490	\$2,361,700

Commerce analysis using IMPLAN, Amounts in 2017 dollars

In a survey of recipients, the QMBCs report an average of 9.7 employees per company. The average salary of company employees for the QMBCs was \$59,560. Half of the companies reported using the investment to hire new employees. Employment the QMBCs increased from by 8 percent since 2016. Investments are used for securing intellectual property protection, marketing and other expenditures, including legal fees, business development, product manufacturing and fundraising. As the biotech companies succeed in producing commercial products, the impacts are expected to increase.

Cybersecurity Investment Incentive Tax Credit (CIITC)

Maryland's Cybersecurity Investment Incentive Tax Credit (CIITC) program provides a refundable income tax credit to Qualified Maryland Cybersecurity Companies (QMCCs) that secure investment from investors. The purpose of this program is to incentivize and attract cybersecurity companies to startup in or move to Maryland; and to attract investment to

cybersecurity companies in order to help them grow, create jobs and retain intellectual property in Maryland.

There were three Qualified Maryland Cybersecurity Companies (QMCCs) that qualified for tax credits totaling \$373,890 through the program in FY 2017. The QMCCs receive a credit equal to 33 percent of an eligible investment in the QMCC. The total leveraged investment is \$1 million from 19 private investors. The QMCCs reported 14 jobs, resulting in 34 total jobs and \$114,870 in annual State revenue.

CIITC Annual Impacts 2017

	Jobs	Wages	Annual State Revenues
Direct	14	\$1,277,070	\$72,580
Secondary	20	\$728,340	\$42,300
Total	34	\$2,005,410	\$114,870

Commerce analysis using IMPLAN, Amounts in 2017 dollars

Research and Development (R&D) Tax Credit

The Research and Development Tax Credit (R&D Tax Credit) was enacted in 2000 to encourage businesses to maintain and increase R&D expenditures in the State. The R&D tax credit is not a tax credit that specifically targets job creation although it likely supports the increase in R&D jobs in the State.

The FY 2017 appropriation was \$4.5 million for a Basic R&D Tax Credit of 3 percent and \$4.5 million for a Growth R&D Tax Credit of 10 percent. To qualify for the R&D Growth credit a company's current year R&D expenditures must exceed its average expenses over the last four years. The program has been oversubscribed since first enacted, so the businesses receive a pro-rated share of the total amount available for both the Basic and Growth tax credit. At the nominal statutory rates, applicants would have received \$82 million in tax credits. However, the tax credits are limited to \$9 million and the credits pro-rated.

The Department certified 229 businesses to receive credits for research conducted in Maryland for their tax year ending in 2015 (certified in FY 2017). The largest share of tax credits goes to manufacturers, with nearly \$6.6 million of the \$9 million in total credits. The business reports the total number of jobs in Maryland and total number of jobs related to R&D, but they are not necessarily because of the R&D tax credit. The companies reported a total of 58,000 Maryland employees and 16,000 Maryland employees engaged in R&D.

Industry	Count of Recipients	Tax Credit Amount
Manufacturing	87	6,631,183
Professional, Scientific and Technical Services	90	1,329,473
Information	17	673,871
Transportation and Warehousing	1	99,074
Construction	12	89,353
Wholesale Trade	10	47,255
Other	15	129,791
Total	227	\$9,000,000

The businesses applying for the Maryland R&D tax credit incurred \$1.64 billion in research and development expenses in Maryland in the tax year ending 2015. Total R&D spending in 2015 increased \$361 million over the 2011-2014 average. Of the 229 businesses that received certification, 153 increased their R&D expenses in 2015 over their average R&D expenses from the previous four years, and were therefore able to claim the R&D Growth Tax Credit.

Based on the amount of increase in R&D expenditures in the State, we estimate the program created 885 direct jobs, or 5 percent of the 16,000 Maryland employees engaged in R&D reported by the recipient companies. The total impact is 2,069 jobs and \$118 million in wages. The total State revenue from those jobs is \$6.6 million.

R&D Tax Credit FY 2017 Impacts (Tax Year 2015)

	Jobs	Wages	Annual State Revenues
Direct	885	\$69,748,080	\$3,885,180
Secondary	1,183	\$48,320,550	\$2,790,860
Total	2,069	\$118,068,630	\$6,676,040

Commerce analysis using IMPLAN, Amounts in 2017 dollars

Maryland E-Novation Initiative

The Maryland E-Novation Initiative (MEI) was enacted in 2014 to spur basic and applied research in scientific and technical fields at Maryland colleges and universities. The initiative provides a State match to private funds raised in support of endowed chairs at Maryland's higher education institutions. The Program became operational on July 1, 2014 although there was no appropriation for FY 2015. In FY 2017, the schools raised \$9.3 million in private funding for each chair and the Department approved matching grants of \$8.5 million to support the endowments.

FY 2017 recipients were Hood College, The Johns Hopkins University, the University of Maryland Baltimore, the University of Maryland College Park, Stevenson University, and Washington College. Fields of study funded by MEI include machine learning and predictive analytics, allowing companies to use data to make better management and manufacturing decisions. Others include drug therapies for macular degeneration and new technologies for sustainable food systems.

There are no direct job impacts reported, but the investment can be estimated to result in academic activity that generates jobs. In FY 2017, the impacts are estimated at 58 total jobs and \$307,160 in annual State revenue.

Maryland E-Novation Initiative FY 2017 Impacts

	Jobs	Wages	Annual State Revenues
Direct	58	\$3,896,940	\$228,570
Secondary	41	\$1,362,100	\$78,590
Total	99	\$5,259,040	\$307,160

Commerce analysis using IMPLAN, Amounts in 2017 dollars

6. Economic diversification through targeted industry support

While many state economic development programs aim to provide incentives to businesses from any industry, a large proportion of state programs target their incentives at specific industries. These may be existing industries, which have proven particularly valuable to the economy of the state, are considered to have growth potential, or are emerging industries perceived as having strong future growth potential. The specific industries most targeted by incentive programs are research and development, entertainment and visitor industries, transportation and logistics, agribusiness and food processing, and energy (renewable and fossil). Other industries frequently targeted by incentive programs include life sciences, information technology, defense and security and advanced manufacturing.

As with other states, many of Maryland's programs are intended to diversify the economy by focusing resources on the industry sectors that promote the greatest impact and opportunities for growth. The focus is generally on industries that bring new spending into the State that would not otherwise occur. Examples include:

- Cybersecurity Investment Incentive Tax Credit
- Biotechnology Investment Incentive Tax Credit
- Cellulosic Ethanol Technology R&D Tax Credit
- Employer Security Clearance Costs Tax Credit
- Maryland Wineries and Vineyards Tax Credit

Employer Security Clearance Costs Tax Credit

The Maryland Employer Security Clearance Costs Tax Credit program was enacted during the 2012 session of the Maryland General Assembly. The Maryland Employer Security Clearance Costs Tax Credit Program includes three tax credits:

- Security Clearance Administrative Expense Tax Credit – This credit is 100 percent of eligible administrative expenses related to obtaining and maintaining federal security clearance for employees up to \$200,000. Employers reported they incurred \$2.13 million in eligible costs.

- Sensitive Compartmented Information Facility Costs Tax Credit – This tax credit is 50 percent 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. Employers reported they incurred \$11.0 million in SCIF costs.
- First Year Leasing Costs Tax Credit for Qualified Small Business – This credit is 100 percent of eligible first year leasing costs for small businesses doing security-based contract work up to \$200,000. Employers reported no lease costs.

The Department certified 50 businesses to receive credits for incurring \$13.1 million in qualified costs in Maryland for their tax year ending in 2015 (certified in FY 2017). The recipients and credit amounts are listed in Appendix D. The companies reported a total of 17,528 Maryland employees and 4,686 Maryland positions engaged in security-based work. Based on the economic impact of the qualified costs the credit generated 152 total jobs and \$500,230 in annual State revenues.

**Employer Security Clearance Costs Tax Credit FY 2017 Impacts
(Tax Year 2015)**

	Jobs	Wages	Annual State Revenues
Direct	73	\$5,931,080	\$333,700
Secondary	79	\$2,870,870	\$166,540
Total	152	\$8,801,950	\$500,230

Commerce analysis using IMPLAN, Amounts in 2017 dollars

Maryland Film Production Activity Tax Credit

The Maryland Film Production Activity Tax Credit (Film tax credit) is a tax credit for qualified direct costs of qualified film production activities including feature films and TV series. The program intent is to encourage film production activity in Maryland. A film production entity may receive a refundable income tax credit of up to 25 percent of qualified direct costs of a film production activity. A television series may receive a credit of up to 27 percent of qualified direct costs.

One television production closed out reporting for the credits totaling \$13.5 million in FY 2017. House of Cards season 4 reported over \$75 million of spending in the State. The production reported hiring 1,809 local crew (crew, technicians, cast and extras) and purchased goods or services from 1,757 Maryland businesses. An analysis of the detailed production expenditures was used to estimate the number of direct, full-time equivalent jobs generated by the projects.

Film Production Activity Tax Credit FY 2017 Impacts

	Jobs	Wages	Annual State Revenues
Direct	627	\$12,899,040	\$757,530
Secondary	382	\$11,834,460	\$694,390
Total	1,008	\$24,733,510	\$1,451,920

Commerce analysis using IMPLAN, Amounts in 2017 dollars

Wineries and Vineyards Tax Credit

The Maryland Wineries and Vineyards Tax Credit program was enacted in 2012 for qualified capital expenses related to a Maryland winery or vineyard. The credit is equal to 25 percent of qualified capital expenses made in connection with the establishment of new wineries or vineyards, or capital improvements made to existing wineries or vineyards in Maryland. Total credits granted may not exceed \$500,000 in a year. If the total amount of credits applied for exceeds \$500,000, the credit is prorated among the certified applicants.

The Department certified 38 wineries and vineyards in 19 counties to receive credits for \$3.1 million in capital expenditures made in Maryland for their tax year ending in 2015. The recipients and credit amounts are listed in Appendix E. At the nominal statutory rate, applicants would have received \$778,547 in tax credits. However, the credits are limited to \$500,000. Therefore, the effective rate for the tax credit is reduced to 64 percent.

Wineries & Vineyards Tax Credit 2017 Impacts

	Jobs	Wages	Annual State Revenues
Direct	11	\$248,050	\$14,570
Secondary	10	\$453,810	\$26,220
Total	21	\$701,860	\$40,790

Commerce analysis using IMPLAN, Amounts in 2017 dollars

7. Special Purpose

MEDAAF Capability 5 - Special Purpose Grants and Loans

This capability contains targeted programs for specialty initiatives that at one time had been deemed critical to the State's economic health and development by the General Assembly. These specialty programs may be exempt from local participation and certain other MEDAAF requirements. The special purpose initiatives include Brownfields, Seafood and Aquaculture, Animal Waste, Day Care, and Arts and Entertainment. The funds do not have a direct job creation component. In FY 2017, there were no settled transactions.

ExportMD

The ExportMD grant program helps to offset some of the costs of marketing internationally for Maryland's small and mid-sized companies. Maryland companies that receive an ExportMD Award are eligible for up to \$10,000 in reimbursement for expenses associated with an international marketing project and can also receive up to 40 hours of assistance from the Department's trade experts located in nine countries around the globe. Eligible expenses include those related to an international marketing initiative including trade show fees, airfare, translation of brochures and web site development. These activities may result in additional contracts and increased sales, which lead to increased employment. In FY 2017, 66 companies received grants of \$5,000-\$10,000 for a total of \$365,000. The companies reported that the activities supported by the grants were projected to increase sales by \$52.4 million. The total impact is 486 jobs, \$25 million in wages and \$1.4 million in annual State revenues.

ExportMD FY2017 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	235	\$14,991,740	\$879,330
Secondary	251	\$9,719,920	\$564,700
Total	486	\$24,711,660	\$1,444,030

Commerce analysis using IMPLAN, Amounts in 2017 dollars

State Return on Investment for Commerce Incentives

The Commerce incentive evaluation conducted for the Jobs Development Act report uses jobs, wages and investment as the main metrics to estimate the tax revenues returned to the State from its incentive investments. The total number of direct and secondary jobs and wages generated by each program is used to estimate the annual tax revenues generated. This can be used to determine an overall one-year ROI for the programs. Because of the reliance on jobs and wage data as inputs, the ROI varies significantly by program. As seen in [Table 5](#), the incentive programs generated \$1.12 in 2017 per \$1 of FY 2017 incentive investment.

Programs that are primarily focused on job creation have an ROI per incentive dollar of \$2.17 in revenues per dollar of incentive. All of the other program categories return less than \$1 per incentive dollar, but it should be noted that the revenues are based on only one year of impacts. In general, Commerce finance program ROI is determined based on the length of the contract period. Most MEDAAF financing deals, for example, have a contract term of 10-years and an overall ROI of \$10 per incentive dollar. Industries with higher average salaries generate higher revenues per job.

The ROI calculation is based on tax revenues from employee wages and spending, but does not include corporate taxes or taxes on production. The IMPLAN model provides an estimate of these revenues. If those other revenues are included, the State taxes increase to \$208.9 million.

Table 5: Return on Investment by program

	Total Jobs	Incentives per job	Annual State Tax Revenues	Revenues per \$1 incentive
Job creation and retention	38,333	\$1,694	140,628,483	\$2.17
Job Creation Tax Credit	1,612	\$1,272	4,915,263	\$2.40
One Maryland Tax Credit	686	\$53,972	2,085,583	\$0.06
Sunny Day	27,326	\$732	113,450,055	\$5.67
MEDAAF 2 - Economic Development Opportunities	8,709	\$672	20,177,582	\$3.45
Local Government support	5,166	\$916	16,709,294	\$3.53
MEDAAF-3	5,166	\$916	16,709,294	\$3.53
Leveraging private sector investment	352	\$67,569	809,840	\$0.03
MIDFA	352	\$67,569	809,840	\$0.03
Assistance to small and disadvantaged businesses	3,506	\$5,393	6,850,173	\$0.36
MD Economic Adjustment Fund	221	\$1,358	413,596	\$1.38
Military Personnel/Veteran-owned small business	58	\$2,593	125,123	\$0.83
Maryland Small Business Development Financing	859	\$9,571	1,772,307	\$0.22
Video Lottery Terminal Fund	2,368	\$4,322	4,539,148	\$0.44
Startups and Innovation	2,883	\$10,423	9,459,779	\$0.31
Biotech Investment Incentive Tax Credit	681	\$17,875	2,361,702	\$0.19
Cybersecurity Investor Incentive Tax Credit	34	\$10,997	114,873	\$0.31
Research & Development Tax Credit	2,069	\$4,350	6,676,041	\$0.74
E-Novation	99	\$85,775	307,164	\$0.04
Targeted Growth Industry promotion	1,181	\$13,549	1,992,939	\$0.12
Employer Security Clearance Costs	152	\$13,175	500,233	\$0.25
Film Production	1,008	\$13,390	1,451,919	\$0.11
Wineries & Vineyards	21	\$23,907	40,787	\$0.08
Special Purpose	486	\$751	1,444,027	\$3.96
ExportMD	486	\$751	1,444,027	\$3.96
Total for all programs	51,908	\$3,059	177,894,536	\$1.12

Program Compliance

Each of the Department's assistance programs has fair and discernible requirements that are set forth and communicated to recipients at the inception of each incentive agreement. Over agreement, the Department's program-management staff maintains regular contact with recipients to maintain records of their adherence to these requirements. This contact includes, but is not limited to, email, phone, and direct mail requests for employment compliance reporting or tax information, payment reminders, and financial reviews. The Department strives to aid in and promote success for recipients, regardless of assistance type or business size.

Most of the compliance follow-up falls into one of two groupings of activities: discretionary and legal actions that can be exercised to attempt to remedy issues with an organization that fails to meet the requirements of an incentive program. While each program can be different, issues can be escalated from program-management staff to finance specialists or management; additional

discussions with company representatives can occur to help remove obstacles to compliance and remedy problems; and obligations can be declared in default, if necessary.

On a case-by-case basis, the Department's program-management staffs explore all potential avenues for assistance and do everything possible to remedy individual business issues, such as failure to meet program requirements. Appendix G summarizes the triggers and remedial actions that can be taken to bring program-recipients into compliance, should the need arise. There have been some situations in which recipients have been unwilling to work with the Department on a plan to get back on track, or were too far beyond the scope of our assistance; however, these are rare. It is common practice to closely monitor and coach businesses to prevent this, and make adjustments to their specific requirements if needed. There are some rigid legal standards, more commonly with tax credits, but for the most part program-management staff is able to use discretion in instances of late and missed payments or specific employment requirements before resorting to consequences that are more serious. For example, program staff is able to make accommodations such as restructuring payment plans rather than sending the account to collections.

Because very few incentive recipients' cases are identical, there is some latitude in the processes for assisting companies in meeting program requirements and obligations. The Department is committed to assure recipients of economic-development incentives have the benefit of a full range of applicable remedies in the pursuit of a successful business outcome and strong working relationships.

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
1	Arcode Corporation	Cybersecurity Investment			\$134,640	\$0	6	Montgomery
2	Atomic Mole LLC	Cybersecurity Investment			\$57,750	\$0	2	Montgomery
3	Strajillion, Inc.	Cybersecurity Investment			\$181,500	\$0	6	Baltimore City
4	Hood College	E-Nnovation Initiative	\$944,000			\$944,000		Frederick
5	Johns Hopkins University (The)	E-Nnovation Initiative	\$1,375,000			\$1,375,000		Baltimore City
6	Stevenson University	E-Nnovation Initiative	\$1,180,000			\$1,180,000		Baltimore
7	Univ. of MD College Park Found	E-Nnovation Initiative	\$1,000,000			\$1,000,000		Prince George's
8	Univ. of MD College Park Found	E-Nnovation Initiative	\$1,112,500			\$1,112,500		Prince George's
9	University Of Maryland Baltimo	E-Nnovation Initiative	\$1,000,000			\$1,000,000		Baltimore City
10	University Of Maryland Baltimo	E-Nnovation Initiative	\$944,000			\$944,000		Baltimore City
11	Washington College	E-Nnovation Initiative	\$944,000			\$944,000		Kent
12	Adashi Systems LLC	Export Maryland	6,000			1,000,000	12	Baltimore City
13	All City Wireless	Export Maryland	5,000			250,000	4	Anne Arundel
14	Allied International Corp.	Export Maryland	6,000			300,000	15	Anne Arundel
15	AVID Technical Services	Export Maryland	5,000			100,000	2	Baltimore City
16	Baon Enterprises	Export Maryland	6,000			1,500,000	4	Anne Arundel
17	BioElectronics Corporation	Export Maryland	5,000			2,000,000	2	Frederick
18	Booker DiMaio	Export Maryland	6,000			500,000		Carroll
19	Brimrose Corp of America	Export Maryland	5,000			750,000	40	Baltimore
20	Caldwell Casting Co., Inc.	Export Maryland	5,000			50,000	1	Dorchester
21	Cipher Systems	Export Maryland	5,000			500,000	5	Anne Arundel
22	ClickMedix	Export Maryland	5,000			100,000	3	Montgomery
23	Corbin Clinical Resources	Export Maryland	5,000			3,732,750	6	Allegany
24	CREATUS	Export Maryland	6,000				7	Prince George's
25	David Edward	Export Maryland	5,000			4,000,000	15	Baltimore
26	E.B.V. Engineering	Export Maryland	6,000				10	Prince George's
27	E3 International	Export Maryland	5,000			500,000	8	Montgomery
28	Emocha Mobile Health Inc.	Export Maryland	6,000			250,000	12	Baltimore
29	Encore Solutions, Inc. (ESI)	Export Maryland	5,000			500,000	1	Montgomery
30	Estime Enterprises, Inc.	Export Maryland	5,000			250,000	5	Prince George's
31	FiberPlex Technologies	Export Maryland	6,000					Howard
32	Fluoron	Export Maryland	6,000			500,000	1	Cecil

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
33	FOURV Systems	Export Maryland	6,000			500,000	2	Baltimore City
34	Garrett Container Systems	Export Maryland	6,000				10	Garrett
35	Get Real Health	Export Maryland	5,000			0	6	Montgomery
36	Goldfarb & Associates	Export Maryland	6,000			1,000,000	13	Montgomery
37	Hawkeye Medical LLC	Export Maryland	6,000			350,000	8	Prince George's
38	Hi-G-Tek, Inc.	Export Maryland	5,000				1	Montgomery
39	Horsetail Technologies, LLC	Export Maryland	6,000			500,000	3	Baltimore City
40	Immersive Concepts	Export Maryland	6,000				7	Prince George's
41	Jackson & Tull_Mfg Facility	Export Maryland	6,000			5,000,000	10	Prince George's
42	Konsyl Pharmaceuticals	Export Maryland	5,000			500,000	1	Baltimore City
43	Koolspan	Export Maryland	6,000			150,000		Montgomery
44	Lifeline Medical	Export Maryland	5,000			1,000,000	3	Prince George's
45	LKC Technologies, Inc.	Export Maryland	5,000			10,000,000	27	Montgomery
46	Maisie Dunbar Spa Lounge	Export Maryland	5,000			40,000	8	Montgomery
47	Maritime Applied Physics Corp.	Export Maryland	5,000			650,000		Baltimore City
48	Maryland Aerospace, Inc.	Export Maryland	6,000				1	Anne Arundel
49	MESMO Inc.	Export Maryland	5,000			250,000	4	Charles
50	MET Laboratories	Export Maryland	6,000				2	Baltimore City
51	Miltec	Export Maryland	5,000				1	Queen Anne's
52	Mini, LLC	Export Maryland	6,000				4	Montgomery
53	Mobile Resource Group LLC	Export Maryland	6,000			65,000	1	Baltimore
54	Murray Corporation	Export Maryland	6,000			250,000	0	Baltimore
55	OCR Services	Export Maryland	5,000			25,000	5	Montgomery
56	Orbit Logic, Inc	Export Maryland	6,000			100,000	1	Prince George's
57	PTC International	Export Maryland	5,000			1,000,000	14	Baltimore City
58	Rbtec Inc	Export Maryland	6,000			20,000	1	Montgomery
59	RBusseau, Llc.	Export Maryland	6,000			500,000	7	Cecil
60	Regal Decision Systems, Inc.	Export Maryland	6,000			300,000	4	Anne Arundel
61	Rife International	Export Maryland	6,000			100,000		Montgomery
62	S.T. Kim	Export Maryland	6,000				2	Montgomery
63	SHAFA Investco, LLC	Export Maryland	5,000			100,000	10	Montgomery
64	Smartronix, Inc.	Export Maryland	6,000			500,000	1	St. Mary's

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
65	SonoWorld (The Monroe Companies)	Export Maryland	6,000			200,000	1	Montgomery
66	Swift Software	Export Maryland	5,000			400,000	2	Frederick
67	Targeted Microwave Solutions MD Inc.	Export Maryland	5,000			50,000	11	Montgomery
68	TCOM, L.P.	Export Maryland	6,000			N/A	110	Howard
69	Tecore, Inc.	Export Maryland	6,000			8,000,000	5	Howard
70	Tetracore, Inc.	Export Maryland	5,000			1,000,000	90	Montgomery
71	The Media Network, Inc.	Export Maryland	5,000			300,000	6	Montgomery
72	Tobacco Barn Distillery	Export Maryland	6,000			48,000	3	St. Mary's
73	United Solutions	Export Maryland	5,000			500,000	10	Montgomery
74	United World Technologies, LLC	Export Maryland	6,000			N/A	12	Baltimore City
75	Vac Pac	Export Maryland	6,000			250,000		Baltimore
76	Zanstrasat LLC	Export Maryland	5,000			4,000,000	11	Howard
77	Zegaz Instruments	Export Maryland	5,000			2,000,000	9	Montgomery
78	Knight Takes King Productions, LLC / House of Cards (Season 4)	Film Production Activity Tax Credit			\$13,500,000	\$75,572,507		Harford
79	Amazon.com.dedc, LLC	Job Creation Tax Credit			\$94,500	\$0	63	Baltimore City
80	Auto Warehousing Company, Inc.	Job Creation Tax Credit			\$51,000	\$0	34	Baltimore City
81	Bob's Discount Furniture, LLC	Job Creation Tax Credit			\$90,000	\$0	60	Harford
82	Lyon Bakery, Inc.	Job Creation Tax Credit			\$210,000	\$0	140	Prince George's
83	Morgan Stanley & Co, LLC	Job Creation Tax Credit			\$193,500	\$0	129	Baltimore City
84	Pandora Jewelry, LLC	Job Creation Tax Credit			\$93,000	\$0	35	Baltimore City
85	Skyline Network Engineering, LLC	Job Creation Tax Credit			\$54,000	\$0	54	Anne Arundel
86	Tailored Solutions	Job Creation Tax Credit			\$786,000	\$0	31	Montgomery
87	TCC, LLC	Job Creation Tax Credit			\$69,136	\$0	74	Baltimore
88	Tenable Network Security, Inc.	Job Creation Tax Credit			\$81,000	\$0	81	Howard
89	The Webstaurant Store, Inc.	Job Creation Tax Credit			\$300,762	\$0	98	Allegany
90	Vision Technologies, Inc.	Job Creation Tax Credit			\$28,000	\$0	28	Anne Arundel
91	Kiddie Daycare, LLC t/a Kiddie	MEAF Loan Match	\$50,000			\$214,000	21	Baltimore
92	The Smith Island Baking Compan	MEAF Loan Match	\$250,000			\$700,000	130	Somerset
93	2U Harkins Road LLC	MEDAAF-2 Cond. Loan	\$2,000,000			\$15,000,000	1,600	Prince George's

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
94	Choptank Transport, Inc.	MEDAAF-2 Cond. Loan	\$125,000			\$1,500,000	150	Caroline
95	Dave Wheatley Enterprises, Inc	MEDAAF-2 Cond. Loan	\$120,000			\$2,300,000	90	Harford
96	Frito-Lay Inc.	MEDAAF-2 Cond. Grant	\$1,000,000			\$122,000,000	481	Harford
97	Hardwire, LLC	MEDAAF-2 Loan	\$85,000			\$300,000	62	Worcester
98	Maines Paper & Food Service, I	MEDAAF-2 Cond. Loan	\$500,000			\$10,000,000	225	Harford
99	Medline Industries, Inc.	MEDAAF-2 Cond. Loan	\$114,000			\$5,589,000	112	Harford
100	MedStar Health, Inc.	MEDAAF-2 Cond. Loan	\$750,000			\$8,000,000	1,122	Howard
101	Pinnacle Foods Group LLC	MEDAAF-2 Cond. Loan	\$312,500			\$23,000,000	200	Washington
102	Saint-Gobain Performance Plast	MEDAAF-2 Cond. Loan	\$120,000			\$12,000,000	58	Montgomery
103	Southland Industries, Inc	MEDAAF-2 Cond. Loan	\$228,000			\$3,068,000	135	Prince George's
104	The Donohoe Companies, Inc.	MEDAAF-2 Cond. Loan	\$500,000			\$4,500,000	280	Montgomery
105	Baltimore Development Corporat	MEDAAF-3 One MD Cond. Loan	\$4,500,000			\$10,000,000	1,800	Baltimore City
106	Indian Head, Town of	MEDAAF-3 Cond. Grant	\$211,200			\$1,428,000	0	Charles
107	Town of Oxford	MEDAAF-3 Cond. Grant	\$19,925			\$35,000	0	Talbot
108	BTS Software Solutions LLC	MIDFA Conventional Insurance	\$700,000	\$100,030		\$700,000	32	Howard
109	It's My Ampitheater, Inc.	MIDFA Taxable Bonds	\$16,000,000	\$7,000,000		\$27,500,000	0	Howard
110	Bourn Environmental, LLC	Military/Veteran Small Business	\$50,000			\$50,000	18	Prince George's
111	Chartwell Enterprises, LLC	Military/Veteran Small Business	\$50,000			\$50,000	12	Prince George's
112	Red Run Fitness, LLC	Military/Veteran Small Business	\$50,000			\$50,000	5	Baltimore
113	Allen & Son Moving/Storage, In	MSBDFA Contract Financing Direct	\$100,000			\$241,000	24	Baltimore City
114	American Business Supplies, LL	MSBDFA Contract Financing Direct	\$400,000			\$400,000	6	Prince George's
115	KR Contracting	MSBDFA Contract Financing Direct	\$100,000			\$0		Washington
116	KR Contracting	MSBDFA Contract Financing Direct	\$900,000			\$1,100,000	130	Washington

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
117	Advance Construction Services	MSBDFA EPIP Other Small Business	\$50,000			\$50,000	8	Prince George's
118	Afro-American Company Baltimore	MSBDFA EPIP Other Small Business	\$425,000			\$450,000	30	Baltimore City
119	DTG Holdings, Inc.	MSBDFA EPIP Other Small Business	\$310,000			\$310,000	60	Baltimore
120	Edwards & Hill Communications LLC	MSBDFA EPIP Other Small Business	\$150,000			\$550,000	17	Howard
121	Great Gourmet, The	MSBDFA EPIP Other Small Business	\$1,100,000			\$1,100,000	29	Caroline
122	MK Catering, Inc.	MSBDFA EPIP Other Small Business	\$120,000			\$120,000	31	Prince George's
123	N&C, Inc. dba Notice & Comment	MSBDFA EPIP/InvestMD LLC	\$275,000			\$265,000	9	Baltimore City
124	Nepenthe Homebrew, LLC	MSBDFA EPIP Other Small Business	\$300,000			\$2,379,000	28	Baltimore City
125	OGOS Energy, LLC	MSBDFA EPIP/InvestMD LLC	\$600,000			\$1,300,000	7	Anne Arundel
126	Pro Electric, Inc. t/a Regal C	MSBDFA EPIP Other Small Business	\$75,000			\$140,000	12	Harford
127	Pro Electric, Inc. t/a Regal C	MSBDFA EPIP Other Small Business	\$65,000			\$0	0	Harford
128	Smoothie 4 Life dba Smoothie K	MSBDFA EPIP Other Small Business	\$300,000			\$367,000	30	Howard
129	Teleport Enterprises, Inc. dba	MSBDFA EPIP/InvestMD LLC	\$500,000			\$1,250,000	15	Anne Arundel
130	Atlantic Imprints, Inc.	MSBDFA_GU/SSBCI	\$423,000	\$317,250.00		\$470,000	50	Baltimore City
131	Ely, Inc.	MSBDFA Guaranty Fund	\$150,000	\$90,000.00		\$150,000	24	Prince George's
132	NGEN, LLC	MSBDFA Guaranty Fund	\$750,000	\$525,000.00		\$0	0	Prince George's
133	OGOS Energy, LLC	MSBDFA Surety Bond Direct	\$200,000			\$200,000		Anne Arundel
134	Amazon.com.dedc, LLC (Broening Hwy)	One Maryland Tax Credit			\$5,500,000	\$5,500,000	37	Baltimore City
135	Amazon.com.dedc, LLC (Holabird Ave)	One Maryland Tax Credit			\$5,500,000	\$5,500,000	25	Baltimore City
136	Evitts Resort, LLC	One Maryland Tax Credit			\$5,500,000	\$5,500,000	73	Allegany

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
137	Pandora Jewelry, LLC	One Maryland Tax Credit			\$5,500,000	\$5,500,000	27	Baltimore City
138	Paragon BioServices, Inc.	One Maryland Tax Credit			\$5,500,000	\$5,500,000	25	Baltimore City
139	The Webstaurant Store, Inc.	One Maryland Tax Credit			\$5,500,000	\$5,500,000	104	Allegany
140	Tractor Supply Company	One Maryland Tax Credit			\$4,014,554	\$4,014,554	38	Washington
141	Northrop Grumman Corporation	Sunny Day Cond. Loan	\$20,000,000			\$120,000,000	10,000	Anne Arundel
142	Chesapeake Light Craft	VLT Fund/AAEDC	\$40,000			\$40,000	21	Anne Arundel
143	CourseArc	VLT Fund/AAEDC	\$200,000			\$700,000	2	Baltimore City
144	Elevate Life, Inc.	VLT Fund/AAEDC	\$75,000			\$152,000	4	Anne Arundel
145	Kiddie Academy of Millersville, LLC	VLT Fund/AAEDC	\$200,000			\$3,966,000	29	Anne Arundel
146	Mojo Web Solutions, LLC	VLT Fund/AAEDC	\$75,000			\$75,000	16	Anne Arundel
147	Peeraspect	VLT Fund/AAEDC	\$250,000			\$750,000	13	Baltimore City
148	SecuLore	VLT Fund/AAEDC	\$250,000			\$1,250,000	8	Anne Arundel
149	Stone and Lambertson, Inc.	VLT Fund/AAEDC	\$100,000			\$138,000	22	Worcester
150	Studio 180	VLT Fund/AAEDC	\$50,000			\$50,000	19	Anne Arundel
151	Coakley's Pub	VLT Fund/Balt County	\$175,000			\$589,000	19	Harford
152	East Coast Dyes	VLT Fund/Balt County	\$150,000			\$300,000	14	Baltimore
153	Little Crystal Bijoux, LLC	VLT Fund/Balt County	\$100,000			\$90,000	2	Baltimore
154	Mobtown Fermentation	VLT Fund/Balt County	\$50,000			\$0	5	Baltimore
155	Site Support Services, Inc.	VLT Fund/Balt County	\$150,000			\$750,000	44	Baltimore
156	Life of Reilly, Inc.	VLT Fund/BDC	\$70,000			\$70,000	14	Baltimore City
157	Scratch Mill Kitchen, LLC	VLT Fund/BDC	\$75,000			\$282,500	20	Baltimore City
158	Suspended Brewing Company	VLT Fund/BDC	\$100,000			\$137,000	6	Baltimore City
159	True Chesapeake Oyster Company	VLT Fund/BDC	\$200,000			\$1,200,000	6	St. Mary's
160	Up To Date Laundry	VLT Fund/BDC	\$300,000			\$4,900,000	463	Baltimore City
161	Children First Community Urgent Care,	VLT Fund/ FSC First	\$250,000			\$98,359	6	Prince George's
162	Hospitality Development Company III, LLC	VLT Fund/ FSC First	\$500,000			\$24,580,000	88	Prince George's
163	Hot Yoga Riverdale, LLC	VLT Fund/ FSC First	\$70,000			\$0	17	Prince George's
164	THE SANDY BOTTOM ENTERPRISES, LLC	VLT Fund/ FSC First	\$35,000			\$50,000	10	Baltimore
165	BTS Software Solutions LLC	VLT Fund/Howard	\$150,000			\$700,000		Howard

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
166	Chesapeake NetCraftsmen	VLT Fund/Howard	\$65,000			0	69	Anne Arundel
167	Elizabeth Jane Inc	VLT Fund/Howard	\$125,000				4	Howard
168	Independent Printing Co Inc	VLT Fund/Howard	\$50,000			\$5,000	20	Howard
169	Jonathan Markel Salon	VLT Fund/Howard	\$40,000			\$35,000	5	Howard
170	LeadCloud, LLC	VLT Fund/Howard	\$150,000				13	Howard
171	Manor Hill Farm LLC	VLT Fund/Howard	\$300,000			\$100,000	14	Howard
172	Maryland Indoor Play LLC	VLT Fund/Howard	\$200,000			\$465,000	14	Howard
173	McCutcheon's Apple Products, Inc.	VLT Fund/Howard	\$250,000			\$915,000	34	Frederick
174	Nava Management	VLT Fund/Howard	\$250,000			0	28	Howard
175	NB3 Packaging Corporation	VLT Fund/Howard	\$200,000			\$8,600	4	Howard
176	Neat Nick Preserves LLC	VLT Fund/Howard	\$20,000			\$12,000	4	Howard
177	River House Pizza Co LLC	VLT Fund/Howard	\$100,000				25	Howard
178	TeamWorx Security LLC	VLT Fund/Howard	\$100,000			\$150,000	10	Howard
179	Verb8tm, Inc	VLT Fund/Howard	\$50,000			\$100,000	25	Baltimore
180	Vheda Inc	VLT Fund/Howard	\$100,000			\$465,000	16	Howard
181	3 BUX LLC	VLT Fund/MCE	\$150,000				16	Worcester
182	A Bite of Heaven	VLT Fund/MCE	\$65,000				3	Baltimore
183	Cambridge Spice Company	VLT Fund/MCE	\$5,000				1	Dorchester
184	Camper & Sons Concrete Works	VLT Fund/MCE	\$45,000				3	Dorchester
185	Daily Assurance	VLT Fund/MCE	\$25,000				2	Talbot
186	Delmarva Trucking LLC	VLT Fund/MCE	\$50,000				2	Wicomico
187	Exquisite Styles	VLT Fund/MCE	\$4,000				2	Wicomico
188	JaRa Enterprises	VLT Fund/MCE	\$35,000				1	Dorchester
189	JTZ LLC	VLT Fund/MCE	\$50,000				4	Worcester
190	Kevin Smiley Inc	VLT Fund/MCE	\$10,000				1	Wicomico
191	Kings Creek Market	VLT Fund/MCE	\$49,000				2	Somerset
192	Loyalty Transport	VLT Fund/MCE	\$5,000				1	Wicomico
193	LR Transportation	VLT Fund/MCE	\$5,000				1	Somerset
194	Marquess IT Solutions	VLT Fund/MCE	\$5,000				1	Worcester
195	Marshall's Marine	VLT Fund/MCE	\$137,000				3	Somerset
196	Mid Atlantic Transportation	VLT Fund/MCE	\$110,000				3	Wicomico
197	Ocean Elements Salt Spa	VLT Fund/MCE	\$50,000				4	Worcester

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
198	Picklehead	VLT Fund/MCE	\$50,000				3	Wicomico
199	Pinebridge GC	VLT Fund/MCE	\$75,000				16	Talbot
200	Planet Prolific	VLT Fund/MCE	\$3,500				1	Worcester
201	Plimhimmon Holdings	VLT Fund/MCE	\$50,000				22	Somerset
202	Puzzle Over This	VLT Fund/MCE	\$50,000				3	Worcester
203	RDM Services	VLT Fund/MCE	\$55,000				1	Worcester
204	Rideout Transportation	VLT Fund/MCE	\$42,000				1	Wicomico
205	Sawyer Charter and Tours	VLT Fund/MCE	\$90,000				2	Dorchester
206	Sharma LLC	VLT Fund/MCE	\$40,000				3	Wicomico
207	SilenTears Ministry	VLT Fund/MCE	\$6,000				2	Wicomico
208	Sisters	VLT Fund/MCE	\$38,000				4	Worcester
209	Somerset Weight and Sleep Management LLC	VLT Fund/MCE	\$22,000				3	Somerset
210	Thomas Boutique	VLT Fund/MCE	\$35,000				1	Wicomico
211	Tingle Services	VLT Fund/MCE	\$5,000					Worcester
212	Tingle Services	VLT Fund/MCE	\$30,000				8	Worcester
213	TKO Trucking	VLT Fund/MCE	\$38,000				2	Anne Arundel
214	Total Lawn Care of Delmarva	VLT Fund/MCE	\$30,000				11	Wicomico
215	Urban Vision Works	VLT Fund/MCE	\$5,000				3	Worcester
216	Afro-American Newspaper	VLT Fund/MMG	\$30,000				30	Baltimore City
217	Blessing Groups of Company, Inc. dba Perfect Care Learning Center	VLT Fund/MMG	\$199,000				0	Baltimore City
218	Blessing Groups of Company, Inc. dba Perfect Care Learning Center	VLT Fund/MMG	\$46,000				2	Baltimore City
219	Brews Up, Inc.	VLT Fund/MMG	\$19,834				0	Worcester
220	CADGAVDEC Properties, LLC and Twister, Inc.	VLT Fund/MMG	\$500,000				50	Worcester
221	Delights By Mina, LLC	VLT Fund/MMG	\$35,000				0	Baltimore City
222	Edwards & Hill Communications LLC	VLT Fund/MMG	\$400,000					Howard
223	Great Gourmet, The	VLT Fund/MMG	\$500,000					Caroline
224	GymGo, LLC	VLT Fund/MMG	\$250,000				10	Howard
225	Interdynamics, Inc.	VLT Fund/MMG	\$100,000				30	Prince George's

Appendix A: FY 2017 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	Total Jobs	County
	Johnson & Johnson Insurance							
226	Agency, LLC	VLT Fund/MMG	\$35,000				0	Howard
227	Keller Professional Services, Inc.	VLT Fund/MMG	\$25,000				3	Baltimore City
228	M.K. Catering, Inc.	VLT Fund/MMG	\$50,000				3	Prince George's
229	OGOS Energy, LLC	VLT Fund/MMG	\$50,000				0	Anne Arundel
230	True Chesapeake Oyster Company	VLT Fund/MMG	\$200,000					St. Mary's
231	Voniks Juice, LLC	VLT Fund/MMG	\$43,490				0	Montgomery
232	Guthrie Real Estate	VLT Fund/Maryland MD	\$135,000				13	Allegany
233	Lakeview Foods	VLT Fund/Maryland MD	\$500,000	\$0.00		\$740,000	82	Garrett
234	Trouts House, Inc	VLT Fund/Maryland MD	\$35,000				3	Garrett

Appendix B: Biotechnology Investment Incentive Tax Credits Certified in FY 2017

QMBC		APPROVED FINAL TAX CREDIT CERTIFICATES (\$)
1	Akonni Biosystems Inc.	200,124
2	Awarables, Inc.	250,000
3	BioMarker Strategies, LLC	262,500
4	BrainScope Company, Inc.	1,387,500
5	Breethe, Inc.	1,412,500
6	Cellphire, Inc.	362,500
7	Clear Guide Medical, Inc.	362,500
8	ConverGene LLC	1,341,563
9	CoolTech, LLC	220,413
10	Creatv MicroTech, Inc.	437,500
11	DxNow, Inc.	387,500
12	Fuzbien Technology Institute, Inc.	125,000
13	Fzata, Inc.	250,000
14	gel-e, Inc.	201,590
15	Gemstone Biotherapeutics LLC	200,000
16	NexImmune Inc.	112,500
17	Noxilizer, Inc.	1,339,412
18	Otraces Inc.	85,000
19	ReGear Life Sciences, LLC	500,000
20	Sequella, Inc.	1,277,471
21	Sisu Global Health Inc.	250,000
22	Sonavex, Inc.	662,562
23	Vasoptic Medical Inc.	250,000
24	Xcision Medical Systems, LLC	300,000
Total		\$12,178,133

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2017

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
1	AAI Corporation	52,550	0	52,550
2	AC Beverage, Inc.	147	1,831	1,978
3	Action Systems, Inc.	0	15,631	15,631
4	Advanced Biotechnologies, Inc.	403	0	403
5	Advanced Technology & Research Corp	555	8	563
6	Akonni Biosystems, Inc.	136	0	136
7	Allen Myers, Inc.	4,301	0	4,301
8	American Woodmark Corporation	280	0	280
9	Amgen, Inc.	61,760	64,475	126,234
10	Angelena G. Lienert and Daniel M. Lienert	370	1,914	2,285
11	Anthem Engineering LLC	0	27	27
12	AOL Advertising, Inc.	40,970	17,182	58,152
13	ARINC Incorporated	53,394	45,680	99,074
14	AstraZeneca Pharmaceuticals, LP	0	534,013	534,013
15	AT&T Corp.	4,876	29,876	34,752
16	Athena Environmental Sciences, Inc.	56	0	56
17	Automated Precision, Inc.	6,997	4,754	11,750
18	Availink (US), Inc.	6,811	0	6,811
19	Axom Technologies, Inc.	9,488	4,096	13,584
20	basys, Inc.	6,358	3,343	9,701
21	Becton Dickinson and Company	159,764	0	159,764
22	Bentley Systems, Incorporated	3,786	2,479	6,265
23	Berry Plastics Group, Inc.	8,372	6,226	14,597
24	Biofactura, Inc.	835	1,249	2,084
25	Boland Trane Services, Inc.	6,301	0	6,301
26	BTE Holdings, Inc. and Subsidiary	2,248	1,161	3,409
27	Burdette, Koehler, Murphy and Associates	7,133	8,704	15,837
28	Canam Steel Corporation	12,212	47,139	59,351
29	Cardiosolv Ablation Technologies, Inc.	23	975	998
30	Castle Communications	2,176	434	2,609
31	Cellular Biomedicine Group, Inc.	0	1,252	1,252
32	Centrexion Therapeutics Corporation	4,901	12,652	17,553
33	CheckFree Software Corporation	6,232	4,820	11,052
34	Chesapeake Contracting Group, Inc.	4,036	4,090	8,126
35	Cisco Systems, Inc.	85,057	123,039	208,096
36	Clearedge IT Solutions, LLC	25,723	16,566	42,289
37	Clene Nanomedicine, Inc.	11,028	0	11,028
38	Cobham Holdings (US) Inc.	5,576	0	5,576
39	Cognizant Technology Solutions US Corp.	20,295	17,057	37,352
40	Colonial Metals, Inc.	11,882	6,293	18,175
41	Columbia Manufacturing Corporation	966	1,157	2,124
42	Connections Education, Inc.	12,026	10,438	22,464

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2017

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
43	Consortium Health Plans, Inc.	2,369	0	2,369
44	Conveyor & Automation Technologies, Inc	4,230	6,927	11,157
45	Corbin Clinical Resources, LLC	0	531	531
46	Cristal USA, Inc.	46,352	1,491	47,844
47	CTIS, Inc.	1,248	0	1,248
48	Custom Cable Solutions, Inc.	1,066	247	1,313
49	Cyber Point International, LLC	14,778	0	14,778
50	Cytec Engineered Materials, Inc.	10,904	4,143	15,047
51	Dakota Consulting, Inc.	4,861	0	4,861
52	DataDirect Networks, Inc.	17,625	9,859	27,483
53	Datawatch Systems, Inc.	8,461	7,237	15,698
54	Decision Software, Inc.	3,527	1,030	4,557
55	Delta Resources, Inc.	7,311	0	7,311
56	Digital Receiver Technology, Inc.	40,369	10,283	50,652
57	Dillner's Accounting Tools, Inc.	655	312	967
58	Dixie Construction Company, Inc.	3,194	0	3,194
59	DrFirst.com, Inc.	6,379	14,638	21,018
60	DSM Pharmaceuticals, Inc.	20,783	0	20,783
61	DVCC Inc. and Subsidiaries	3,932	4,222	8,153
62	Eastcor Engineering LLC	48	1,691	1,739
63	EBAY, Inc.	101	1,493	1,594
64	Ecotone, Inc.	1,401	9,155	10,556
65	Ecrion Software, Inc.	1,360	1,255	2,615
66	Eli Lilly and Company	41,985	3,468	45,454
67	Emergent Biosolutions, Inc.	14,867	17,171	32,037
68	Emmes Corporation	1,569	1,834	3,404
69	emocha Mobile Health, Inc.	259	1,208	1,467
70	Energy Concepts Company, LLC	2,208	0	2,208
71	Eurotech, Inc.	3,610	0	3,610
72	Evapco, Inc.	31,031	11,921	42,952
73	FD Neurotechnologies Consulting and Service, Inc.	1,275	0	1,275
74	Fil-Tec, Inc.	1,848	0	1,848
75	Fina Biosolutions, LLC	1,440	1,331	2,771
76	Flowrox, Inc.	1,541	0	1,541
77	Flowserv US Inc.	125	805	929
78	Foulger-Pratt Development, LLC	3,478	6,257	9,735
79	FR Conversions, Inc.	370	1,987	2,357
80	Fugue, Inc.	1,197	14,653	15,851
81	Gallagher & Associates, LLC	3,051	0	3,051
82	General Dynamics Advanced Information Systems, Inc.	2,842	5,052	7,894

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2017

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
83	General Dynamics C4 Systems, Inc.	63	942	1,005
84	General Dynamics Fidelis Cybersecurity Solutions, Inc.	4,749	7,661	12,409
85	Gliknik, Inc.	4,597	4,220	8,817
86	Gold Crust Baking Company	4,447	3,612	8,058
87	Grier Forensics, LLC	410	0	410
88	Grunley Construction Company	2,053	1,437	3,490
89	Hargrove Acquisition, Inc.	12,332	6,670	19,003
90	Hughes Network Systems, LLC	246,534	110,684	357,218
91	IHI Kiewit Cove Point, A Joint Venture	4,444	29,329	33,773
92	Immuno-Probe, Inc.	1,053	0	1,053
93	Innovative Technologies Group & Co.	371	0	371
94	Inovalon, Inc.	16,380	34,840	51,220
95	INT3 Solutions LLC	0	17	17
96	Integral Consulting Services, Inc.	75	319	394
97	Integrated Biotherapeutics, Inc.	288	576	864
98	Intelligent Automation, Inc.	16,577	0	16,577
99	Intelligent Devices, Inc.	1,202	1,153	2,355
100	Intelligrated Systems, LLC	7,537	9,631	17,169
101	Interactdata, LC Trading as VMC Select	548	0	548
102	International Business Machines Corporation	14,538	6,177	20,715
103	Internet Testing Systems, LLC	7,804	2,089	9,893
104	Interstate Holding, Inc.	13,572	19,856	33,428
105	Jason Pharmaceuticals, Inc	13,228	0	13,228
106	Javelina Software, LLC	1,026	0	1,026
107	JDA Software, Inc.	10,913	0	10,913
108	JF Taylor, Inc.	12,564	7,206	19,770
109	JLG Industries, Inc.	27,456	34,128	61,584
110	Kaydon Ring & Seal, Inc.	1,724	10	1,734
111	Kirlin Industries, LLC	0	0	0
112	Kop Flex, Inc.	2,496	534	3,030
113	Kratos Technology & Training Solutions, Inc.	9,607	0	9,607
114	L-3 Communications Holdings Inc. & Subsidiaries	5,213	0	5,213
115	Leidos, inc.	32,047	0	32,047
116	Life Technologies Corporation	35,537	27,736	63,273
117	Localist Corporation	749	1,485	2,233
118	Lockheed Martin Corporation	112,139	0	112,139
119	Lurn, Inc.	213	2,250	2,463
120	Mack Trucks, Inc.	107,123	0	107,123

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2017

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
121	MacroGenics, Inc.	55,758	329,804	385,562
122	Maritime Applied Physics Corporation	7,804	3,367	11,171
123	Marvell Semiconductor, Inc	868	0	868
124	Matthew Warren, Inc.	2,900	0	2,900
125	McCormick & Company, Inc.	142,163	115,584	257,746
126	MCW Solutions, LLC	1,099	2,414	3,513
127	MDA Information Systems, LLC	1,102	0	1,102
128	MedImmune, LLC	756,313	1,182,776	1,939,088
129	Meso Scale Diagnostics, Inc.	39,931	42,518	82,449
130	Metro Test & Balance, Inc.	3,646	8,672	12,318
131	Metropolitan Regional Information Systems, Inc.	4,041	1,162	5,202
132	Miltec Corporation	2,219	5,264	7,483
133	Mindgrub Technologies LLC	817	0	817
134	Morningstar PV Controller's Corp	1,939	477	2,416
135	MPI Labels of Baltimore, Inc.	668	1,904	2,572
136	NES Associates, LLC	877	0	877
137	Netorian Limited Liability Corporation	437	1,534	1,971
138	Northrop Grumman Systems Corporation	591,891	518,787	1,110,678
139	Novartis Pharmaceuticals Corporation	4,582	0	4,582
140	Novo Nordisk, Inc.	4,134	0	4,134
141	Noxell Corporation	7,795	0	7,795
142	Nteligen, LLC	69	896	965
143	Nutramax Laboratories, Inc.	9,435	0	9,435
144	Nutramax Manufacturing, Inc.	925	0	925
145	Nuvasive, Inc.	272	2,066	2,338
146	Onyara, Inc.	0	0	0
147	Orbit Logic Incorporated	147	0	147
148	Orbital ATK, Inc.	16,003	0	16,003
149	Origin Wireless, Inc.	1,376	1,637	3,012
150	Osiris Therapeutics, Inc.	14,782	0	14,782
151	Otsuka America, Inc.	58,747	0	58,747
152	Pall Filtration & Separations Group, Inc.	0	0	0
153	Paramount Die Company, Inc	3,817	4,494	8,310
154	Patton Electronics Company	6,154	0	6,154
155	Pennoni Associates, Inc.	2,216	1,945	4,161
156	Peregrin Services Corp.	152	3,387	3,540
157	Pfizer Inc. & Subsidiaries	76,151	107,408	183,559
158	Pharmaceutics International, Inc.	31,782	0	31,782
159	Phunware, Inc.	0	751	751
160	Pitney Bowes Software, Inc.	5,893	0	5,893
161	Planned Systems International Inc.	4,986	24,817	29,803

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2017

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
162	Plant Vax, Inc.	1,665	1,455	3,120
163	Precision Products Group, Inc.	595	0	595
164	Pritchett Controls, Inc.	7,180	3,428	10,607
165	Profectus Biosciences, Inc.	5,382	922	6,304
166	Progeny Systems Corporation	242	0	242
167	Qiagen North American Holdings, Inc.	36,498	0	36,498
168	QRC, Inc.	3,134	2,927	6,061
169	Quotient, Inc.	2,521	6,821	9,341
170	R&R Mechanical Contractors, Inc.	3,835	2,607	6,442
171	Ray Enterprises of Chesapeake Walk, Inc., DBA HOBO International	4,172	6,193	10,365
172	Raytheon Company	15,609	0	15,609
173	Red Bag Solutions, Inc	166	0	166
174	Restorative Therapies, Inc.	1,580	610	2,190
175	Riverbed Technology, Inc	25,614	42,373	67,987
176	Roadnet Technologies, Inc.	13,110	0	13,110
177	Rockwell Collins, Inc.	1,494	678	2,172
178	Rome Technologies, Inc.	1,860	618	2,478
179	RPM International, Inc.	7,400	1,979	9,379
180	SafeOp Surgical, Inc.	0	6,500	6,500
181	Saft America, Inc.	17,540	24,020	41,559
182	Savantage Financial Services, Inc.	7,134	0	7,134
183	Science Applications International Corporation	10,938	2,232	13,170
184	Sequon, Inc., T/A Terrapin Pharmacy	1,764	0	1,764
185	Shah & Associates, Inc.	2,898	1,401	4,299
186	Sierra Nevada Corporation	10,958	6,556	17,514
187	Sigma-Tau Pharmaceuticals, Inc.	7,566	16,752	24,318
188	Soltesz, Inc	3,081	790	3,871
189	Spirent Communications, Inc.	14,931	12,400	27,331
190	Stanley Black and Decker, Inc.	119,030	4,581	123,611
191	Stardock Systems, Inc.	3,780	13,850	17,631
192	Stulz Air Technology Systems, Inc.	2,701	0	2,701
193	Symantec Corporation	6,292	2,151	8,443
194	Synaptic Advisory Partners, LLC	1,402	4,421	5,823
195	Tactical Network Solutions, LLC	392	839	1,231
196	TAI Specialty Construction, Inc.	659	1,571	2,230
197	Tecore, Inc.	8,342	0	8,342
198	Telecommunication Systems, Inc.	2,006	0	2,006
199	Tenable Network Security, Inc.	12,222	25,343	37,565
200	Tetracore, inc.	4,253	0	4,253
201	Teva Biopharmaceuticals USA, Inc.	30,972	0	30,972

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2017

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
202	The KEYW Holding Corporation, Inc. and Subsidiaries	9,131	0	9,131
203	The Lane Construction Corporation	611	889	1,500
204	The Sherwin Williams Company	205	0	205
205	Tilley Chemical Company, Inc.	1,579	501	2,080
206	Top Down Systems Corporation	2,950	2,612	5,563
207	Tourgee & Associates, Inc.	5,340	0	5,340
208	Transformational Security, LLC	3,216	3,859	7,074
209	Travel Lite Co.	253	226	479
210	Trophogen, Inc.	3,497	3,793	7,291
211	UAV Solutions, Inc.	8,058	0	8,058
212	Ultra Electronics USA Group, Inc. & Subsidiaries	4,515	0	4,515
213	Under Armour, Inc.	61,022	77,255	138,277
214	United Parcel Service General Services, Co.	96,933	80,948	177,881
215	United Therapeutics Corporation and Subs.	29,935	24,247	54,182
216	US NewWin, Inc.	531	606	1,137
217	USALCO, LLC	11,468	23,639	35,107
218	Valpac, Inc.	753	750	1,503
219	Value Asset Leasing, Inc., dba iHire, LLC	4,692	1,843	6,535
220	ViaSat, Inc.	4,390	0	4,390
221	Vigilant Medical, Inc	442	179	621
222	Vizuri Health Sciences, LLC	277	6,217	6,493
223	Vorbeck Materials Corp	2,459	4,833	7,292
224	WEBS, Inc.	11,089	9,661	20,750
225	Western Services Corporation	3,679	0	3,679
226	WL Gore & Associates, Inc.	141,355	257,436	398,791
227	Xcision Medical Systems, LLC	5,461	34	5,495
228	Zenimax Media, Inc.	133,859	0	133,859
229	Zephyr Aluminum, LLC	1,926	1,762	3,689
Total		\$4,500,000	\$4,500,000	\$9,000,000

Appendix D: Maryland Employer Security Clearance Costs Tax Credits Certified, TY 2015 (Certified in FY2017)

	Business Name	Certified Credit Amount
1	Advanced Technology & Research Corporation	24,278
2	Anthem Engineering, LLC	5,727
3	Asymmetrik, Ltd.	51,760
4	ATI, Inc.	4,211
5	Aviation Systems Engineering, Co., Inc.	51,147
6	BCT LLC	89,058
7	Booz Allen Hamilton, Inc.	129,504
8	C.K. Signals, Inc.	7,026
9	CACI Technologies, Inc.	97,198
10	Cardinal Scientific, Inc.	2,146
11	Clearedge IT Solutions, LLC	50,998
12	ClearShark, LLC	10,473
13	CyberPoint International, LLC	52,581
14	Entegra Systems, Inc.	24,678
15	G. Bailey & Associates, LLC (D/B/A ShoreIT Solutions,	4,670
16	General Dynamics Advanced Information Systems,	29,125
17	Globecomm Services Maryland, LLC	24,584
18	Gray Graphics Corporation	9,681
19	Grove Resource Solutions, Inc.	14,555
20	Herrick Technology Laboratories, Inc.	118,945
21	Innoplex, LLC	48,245
22	INT3 Solutions, LLC	2,499
23	Integral Consulting Services, Inc.	70,349
24	IZ Holdings, LLC	66,399
25	JS Global, LLC	18,727
26	KJMK Management, Inc. T/A RealStreet Staffing	4,950
27	Lingual Information System Technologies, Inc.	94,499
28	LJT & Associates, Inc.	32,039
29	MDA Information Systems, LLC	56,459
30	MORI Associates, Inc.	606
31	Netorian LLC	27,925
32	Northrop Grumman Systems Corporation	323,761
33	Novetta, Inc.	23,566
34	Novetta, LLC	33,979
35	Oakleaf Technology Group, Inc.	4,325
36	Omnyon, LLC	20,235
37	Patriot Technologies, Inc.	2,849
38	Project Enhancement Corporation	8,064
39	Quotient, Inc.	79,937
40	Sealing Technologies, Inc.	23,840
41	SigInt Technologies, LLC	4,507
42	Staffing Alternatives, Inc.	24,511
43	Tactical Network Solutions, LLC	1,997
44	TeleCommunication Systems, Inc.	95,321
45	Tensley Consulting, Inc.	12,982
46	The Lockwood Group, LLC	14,190
47	Threehms, LLC dba Facility Support Services	11,849
48	Tiber Technologies, Inc.	24,692
49	Transformational Security, LLC	10,727
50	VariQ Corporation	53,624
	Total Credit Amount	\$2,000,000

Appendix E: Maryland Wineries and Vineyards Tax Credits Certified for TY2015 (Certified in FY 2017)

	Business Name	Certified Credit Amount
1	Basignani Winery	4,845
2	Berrywine Plantations, DBA Liganore Winecellars	21,075
3	Black Ankle Vineyards, LLC	34,077
4	Boordy Vineyards, Inc	35,341
5	Catoctin Breeze Vineyard, LLP	3,114
6	Charm City Meadworks	6,523
7	Chateau Bu-De II, LLC	24,016
8	Chateau Bu-De, LLC	172,821
9	Clovelly Vineyard, LLC	6,890
10	Cook Winery Holdings	6,354
11	Crow Vineyard & Winery, LLC	26,130
12	Eden Mill Vineyards	221
13	Elk Run Vineyards, Inc.	4,066
14	Fig Tree Winery, LLC	3,413
15	Fiore Winery, Inc.	4,752
16	Four Thistles, LLC	1,090
17	Golden Leaf Farm, LLC T/A Romano Vineyard & Winery	6,722
18	Heimbuch Estate Vineyards and Winery, LLC	1,822
19	Layton's Chance Vineyard & Winery	2,915
20	Lazy Day Farms, LLC	448
21	Libertas Estates	9,814
22	Mark Cascia Vineyards	6,378
23	Mazzaroth Vineyard, LLC	513
24	Mey Mills Estate	209
25	Native Concepts, LLC (Trueman Vineyards)	1,476
26	New Market Plains, LLC	16,305
27	Noble Landing, LLC	6,945
28	Old Westminster Winery LLC T/A Old Westminster	4,912
29	Robin Hill Farm, LLC	4,891
30	Roche & Smith Vineyard, LLC	1,082
31	Rocklands Farm	6,286
32	Rohresville Vineyards, LLC	19,600
33	Schmidt Farms, Inc.	3,577
34	Southern Maryland Wine Growers Cooperative	184
35	St. Michaels Winery, LLC	12,358
36	Stonemur, LLC	1,648
37	The Vineyards At Dodon, LLC	32,880
38	Townshend Vogt Farm, LLC	4,308
	Total Credit Amount	\$500,000

Appendix F: Recipients of Multiple Incentives FY 2017

	Recipient	Programs
1	Advanced Technology & Research Corp	ESSC, R&D
2	Akonni Biosystems, Inc.	BIITC, R&D
3	Anthem Engineering LLC	ESSC, R&D
4	Blessing Groups of Company, Inc. dba Perfect Care Learning Center	VLT/MMG (2)
5	BTS Software Solutions LLC	MIDFA, VLT/HCEDA
6	Clearedge IT Solutions, LLC	ESSC, R&D
7	Corbin Clinical Resources	ExportMD, R&D
8	Cyber Point International, LLC	ESSC, R&D
9	Edwards & Hill Communications LLC	MSBDFA, VLT/MMG
10	General Dynamics Advanced Information Systems, Inc.	ESSC, R&D
11	Great Gourmet, The	MSBDFA, VLT/MMG
12	INT3 Solutions LLC	ESSC, R&D
13	Integral Consulting Services, Inc.	ESSC, R&D
14	KR Contracting	MSBDFA-CF (2)
15	MDA Information Systems, LLC	ESSC, R&D
16	Netorian LLC	ESSC, R&D
17	Northrop Grumman Systems Corporation	ESSC, R&D
18	Novetta, LLC	ESSC (2)
19	OGOS Energy, LLC	MSBDFA-EPIP, MSBDFA-S, VLT/MMG
20	Orbit Logic, Inc	ExportMD, R&D
21	Pandora Jewelry, LLC	JCTC, OneMD
22	Pro Electric, Inc. t/a Regal C	MSBDFA-EPIP (2)
23	Quotient, Inc.	ESSC, R&D
24	Riverbed Technology, Inc	R&D (2)
25	Tactical Network Solutions, LLC	ESSC, R&D
26	Tecore, Inc.	ExportMD, R&D
27	TeleCommunication Systems, Inc.	ESSC, R&D
28	Tenable Network Security, Inc.	JCTC, R&D
29	Tetracore, inc.	ExportMD, R&D
30	The Webstaurant Store, Inc.	JCTC, OneMD
31	Tingle Services	VLT-MCE (2)
32	Transformational Security, LLC	ESSC, R&D
33	True Chesapeake Oyster Company	VLT-BDC, VLT-MMG
34	Univ. of MD College Park Found	ENovation (2)
35	University Of Maryland Baltimo	ENovation (2)
36	Xcision Medical Systems, LLC	BIITC, R&D
37	Zephyr Aluminum, LLC	R&D (2)

Appendix G: Compliance Triggers and Remedial Action

	Trigger	Action	Remedy
Legal Action			
	Recipient breaches " any " covenant, representation, warranty or other provision of our Agreements	Claim a Default	Require immediate repayment, proceed to enforce all rights available to the Department: <i>Forbearance, Charge Off, Foreclose, Charge Late Fees, Increase Interest Rate, Terminate Transaction, File Judgments, Clawback, etc.</i>
Discretionary Decisions			
	Late Payments >90 Days	Escalate to Management	Management discretion to charge late fee-contact client continue billing
	Late Payments >180 Days	Escalate to Management	Charge Off, Transfer to Special Assets, Work with AG on legal remedy; Management has discretion not to Charge Off account based on case-by-case circumstances and must document via Approval Memo why not Charging Off (see legal remedies)
	Upcoming Reporting Date & <60 Days past due	Tickler/Reminder E-mails	Notifies client before something comes due, or once something is late.
	>60 Days Past Due for any reporting	Escalate Issue to Finance Specialist	Contact client to get item, waive requirement for item (in writing), continue to monitor
	Failed Employment Goals	Escalate to Finance Specialist and Management	Move forward with clawback or depending on company and economic conditions the employment goals may be modified (see legal remedies)
	Poor Annual Financial Review	Escalate to Management	Continue to monitor; possible downgrade of risk rating; transfer to Special Assets, contact client, financial institution

Tax Credits			
Not Eligible	Applicant applies for certification of tax credit but does not meet statutory requirements	Do not certify as eligible for tax credit	The tax credits are non-discretionary. If the business does not meet the statutory requirements of the program, the Department may not certify them as eligible. For the One Maryland and Job Creation Tax Credits, the Department urges the applicant to apply for preliminary certification to identify any potential obstacles to final certification. We work with the company to identify and overcome any issues that would preclude the company from qualifying.
Non-compliance	Applicant is certified as eligible for tax credits but does not maintain the positions or investment.	Credits are recaptured; business may not use the credits during the carry forward period.	Under the Job Creation Tax Credit, the business must maintain the credits for three years or recapture some or all the credits. An independent CPA certifies at the end of the recapture period, whether any recapture is due the state. Under the One Maryland Tax Credit, if the business falls below a certain threshold of jobs, the business may not use the credit in that credit year. However, when its employment increases over the threshold, it may begin taking the credit again. The threshold was originally 25 jobs, but in recognition of the struggling economy, this was reduced to 10 jobs, if the business had maintained 25 jobs for at least five years. Under the Biotechnology Investment Incentive Tax Credit, if the investor that received a credit sells or transfers his ownership interest in the qualified Maryland Biotechnology Company (QMBC) or if the QMBC ceases to operate as an active business with its headquarters in Maryland within 2 years from the tax year they claimed the credit, they are required to recapture some or all of the credit.
In general, the tax credits are non-discretionary. If the business does not meet the statutory requirements, they will not qualify for the credits. Commerce does not have the discretion to waive the statute. However, Commerce does work with the businesses to identify issues early in the process. In addition, changes have been made to the programs through legislation that have made it easier to meet the program requirements			