



Department of Commerce – Tax Credit Incentives – GIS Mapping

In accordance with p. 250 of the 2020 Joint Chairmen's Report

Submitted by
Maryland Department of Commerce

February 2021

Introduction

The Maryland Department of Commerce is submitting this report in accordance with page 250 of the 2020 Joint Chairmen's Report, which requires: "Commerce develops and makes available layered geographic information system (GIS) data and maps that show all tax credits."

The maps provided with this report were developed by the Maryland Department of Information and Technology (DoIT) and are based on information Commerce provided from tax credit applications by tax credit recipients. Commerce does not collect GIS data, and has no GIS mapping capabilities.

GIS maps are provided for twelve of the eighteen tax credits administered by Commerce for calendar years 2016, 2017, 2018, and 2019. The value of certified tax credits reflects the year in which Commerce certified a tax credit, and may not reflect the year for which a tax credit was awarded as tax credits may be certified on a fiscal, calendar, or tax year basis. Limited mapping, or no mapping, is provided for the remaining seven tax credits because of data limitations that are discussed in the Tax Credit Data section of this report.

The maps developed for this report are hosted on the State's mapping and GIS data portal MD iMAP, and can be accessed through Commerce's website. The interactive maps are available here:

<https://maryland.maps.arcgis.com/apps/opsdashboard/index.html#/b8a629bc778e41388078ac45daabd61f>

The maps provided in this report were prepared by the Department of Information and Technology (DoIT) using tax credit application information collected by Commerce. The completed maps and dashboards were reviewed by the Governor's Office of Performance Improvement as required by the FY 2021 budget language.

Tax Credits Administered by Commerce

The Department of Commerce currently administers eighteen tax credits, which are listed in the table below along with the year they were enacted.

Economic Development Tax Credit Incentives

<i>Tax Credit</i>	<i>Enacted</i>
Enterprise Zones	1982
Job Creation Tax Credit	1996
Brownfields	1997
One Maryland	1999
Maryland Research & Development	2000
Arts & Entertainment Districts	2001
Biotechnology Investment Incentive Tax Credit	2005
Film Production Activity Credit	2011
Employer Security Clearance Costs	2012
Cybersecurity Investment Incentive	2013
Maryland Wineries & Vineyards	2013
RISE Zones	2014
Aerospace, Electronic, or Defense Contract Credit	2016
Hire Our Veterans	2017
More Jobs for Marylanders	2017
Buy Maryland Cybersecurity	2018
Small Business Relief	2018
Data Centers Sales & Property Tax Exemptions	2020

Tax Credit Data

The Department of Commerce does not collect GIS data for its tax credits, and does not have any staff dedicated to GIS mapping. The type of data Commerce maintains for its tax credits varies depending on the type of tax credit. Tax credit data related to eligibility for a tax credit, such as the number of jobs created by a tax credit recipient, are independently verified by Commerce.

The design of some tax credits limits the Department's ability to collect and maintain certain tax credit data, and Commerce cannot provide GIS maps for these tax credits because it does not have the necessary data. The types of tax credits for which Commerce cannot provide GIS maps include place-based tax credits, and tax credits that attract investment from outside of Maryland.

Place-based tax credits are tax credits for which Commerce certifies an area of eligibility by certifying a zone or district. The Department's role with these tax credits is only to certify that a geographic area of a place-based tax credit complies with statutory requirements. Commerce does not administer place-based tax credits. Place-based tax credits certified by Commerce include: Enterprise Zones; RISE Zones; and Arts and Entertainment Districts. Enterprise and RISE Zones provide a property tax credit, which are administered by local governments. Arts and Entertainment Districts provide income and sales and use tax credits, which are administered

by the Comptroller. Links for maps of these place-based tax credits are provided at the end of this report; however, maps of individual tax credit recipients are not provided for these tax credits because Commerce does not administer them and therefore does not collect that data.

Commerce certifies several tax credits that are designed to attract investment in Maryland companies, and often investment is attracted from out-of-state investors. These tax credits include the Biotechnology Investment Incentive Tax Credit (BIITC), the Film Production Activity Tax Credit, and the Cybersecurity Investment Incentive Tax Credit (CIITC) for 2018 and 2019. BIITC tax credits have been certified for investors in other countries, and Film Production Activity tax credits are frequently certified for film production companies headquartered in other states like California. CIITC was revised in 2018 to award the tax credit to investors instead of Maryland cybersecurity companies. Maps are provided with this report for Maryland cybersecurity companies that received a tax credit in 2016 and 2017.

As previously stated, the tax credit maps provided with this report are based on information provided by tax credit recipients when they apply for a tax credit. As a result, some maps may not exactly reflect where economic activity is occurring in Maryland because of a tax credit incentive. For example, recipients of Maryland's Research and Development (R&D) tax credits may provide the address of their corporate headquarters when applying for a tax credit. Subsequently, R&D tax credit maps may not accurately reflect where research and development is occurring in Maryland, and it is not uncommon for R&D tax credit recipients to conduct research and development in several different facilities throughout the State. Companies headquartered out-of-state that received an R&D tax credit for research conducted in multiple locations in Maryland have only one location mapped. Dashboard data is provided for all locations that are not mapped. This is due to limitations of the software used to map tax credits.

Changes to program requirements, and the nature of some data also affect how tax credits are mapped. Commerce was only required to certify the number of jobs created with the Job Creation Tax Credit (JCTC) up until 2018. Commerce began estimating the amount of JCTC tax credits in 2018, when estimating the amount of the tax credit became a requirement. As a result, 2016 and 2017 JCTC mapped data provided the number of jobs created by the tax credit, and 2018 and 2019 mapped data provides the number of jobs created as well as the estimated tax credit amount for the JCTC. This highlights a significant limitation with the data that is mapped. The tax credit data reflects the amount of tax credits certified by Commerce. It does not reflect the amount of tax credits that were claimed, which is information that is managed by the Office of the Comptroller.

The Employer Security Clearance Costs (ESCC) tax credit, and the Aerospace, Electronic, or Defense Contract Credit are provided to companies that work on top-secret projects for the federal government. Companies that are eligible for these credits may not provide exact locations of activity because of their top-secret work. Maryland headquarters are mapped for such companies when possible.

Maps are not provided for the Data Center Sales and Property Tax Exemptions because the incentives were enacted in 2020, which means no tax credits were certified for the reporting period of 2016 through 2019.

Place Based Tax Credits

- Enterprise Zone maps are available here:
https://www.arcgis.com/home/webmap/viewer.html?url=https%3A%2F%2Fgeodata.md.gov%2Fimap%2Frest%2Fservices%2FBusinessEconomy%2FMD_IncentiveZones%2FFeatureServer%2F4&source=sd
- Arts and Entertainment District maps are available here:
https://www.arcgis.com/home/webmap/viewer.html?url=https%3A%2F%2Fgeodata.md.gov%2Fimap%2Frest%2Fservices%2FBusinessEconomy%2FMD_IncentiveZones%2FFeatureServer%2F2&source=sd
- RISE Zone maps are available here:
https://www.arcgis.com/home/webmap/viewer.html?url=https%3A%2F%2Fgeodata.md.gov%2Fimap%2Frest%2Fservices%2FBusinessEconomy%2FMD_IncentiveZones%2FFeatureServer%2F12&source=sd