

**MORE JOBS FOR MARYLANDERS PROGRAM.**

**NOTE: This Act shall take effect June 1, 2019, and shall be applicable to all taxable years beginning after December 31, 2018.**

**§ 6-801. Terms Defined.**

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Benefit year” means a taxable year in which a qualified business entity claims a program benefit established under § 6–805 of this subtitle.
- (c) (1) “Business entity” means a person conducting or operating a trade or business that is:
  - (i) primarily engaged in activities that, in accordance with the North American Industrial Classification System (NAICS), United States Manual, United States Office of Management and Budget, 2012 Edition, would be included in Sector 31, 32, or 33; or
  - (ii) located in an opportunity zone.
- (2) “Business entity” does not include:
  - (i) a refiner, as defined in § 10–101 of the Business Regulation Article; or
  - (ii) a person conducting or operating a trade or business that is:
    - 1. providing adult entertainment, as determined by the Department;
    - 2. primarily engaged in retail activities, unless the person is operating a grocery store located in an opportunity zone; or
    - 3. primarily engaged in the sale or distribution of alcoholic beverages.
- (d) “Eligible project” means a facility operated by a business entity in a Tier I area or Tier II area.
- (e) “Existing business entity” means a business entity that is located in the State at the time it notifies the Department under § 6–803(c) of this subtitle.
- (f) “Grocery store” has the meaning stated in § 9–254 of the Tax – Property Article.
- (g) “New business entity” means a business entity that is not located in the State at the time it notifies the Department under § 6–803(b) of this subtitle.
- (h) “Opportunity zone” means an area that has been designated as a qualified opportunity zone in the State under § 1400Z–1 of the Internal Revenue Code.
- (i) “Program” means the More Jobs for Marylanders Program established under this subtitle.
- (j) “Qualified business entity” means a new business entity or an existing business entity operating an eligible project under this subtitle.
- (k) (1) “Qualified position” means a position that:
  - (i) is full–time and of indefinite duration;
  - (ii) 1. except as provided in item 2 of this item, for a position in a facility that is located in an opportunity zone, pays an average annual salary that exceeds \$50,000; or

2. for a position in a facility of a business entity described under subsection (c)(1)(i) of this section, pays at least 120% of the State minimum wage;

(iii) is located in a facility;

(iv) is newly created at a single facility in the State; and

(v) is filled.

(2) “Qualified position” does not include a position that is:

(i) created when an employment function is shifted from an existing facility of a business entity in the State to another facility of the same business entity if the position is not a net new job in the State;

(ii) created through a change in ownership of a trade or business;

(iii) created through a consolidation, merger, or restructuring of a business entity if the position is not a net new job in the State;

(iv) created when an employment function is contractually shifted from an existing business entity to another business entity in the State if the position is not a net new job in the State; or

(v) filled for a period of less than 12 months.

(l) “Tier I area” means:

(1) a Tier I county, as defined in § 1–101 of this article;

(2) a county designated by the Department that is not a county described in item (1) of this subsection, not to exceed three counties; or

(3) an opportunity zone.

(m) “Tier II area” means an area that is not an area described in subsection (l) of this section.

### **§ 6–802. Program Established.**

There is a More Jobs for Marylanders Program in the Department.

### **§ 6–803. Eligible Projects.**

(a) A business entity may apply to the Department to enroll an eligible project in the Program if the eligible project:

(1) is in a Tier I area and the business entity intends to create at least five qualified positions at the project location; or

(2) is in a Tier II area and the business entity intends to create at least 10 qualified positions at the project location.

(b) (1) A new business entity may not be certified as a qualified business entity unless the new business entity:

(i) notifies the Department of its intent to seek designation of an eligible project before establishing its facility in the State; and

(ii) offers an ongoing job skills enhancement training program or postsecondary education program that is approved by the Department.

(2) The Department may certify a new business entity as a qualified business entity after the new business entity provides the required notice under paragraph (1)(i) of this subsection, applies to the Department under paragraph (3) of this subsection, and establishes and operates an eligible project.

(3) A new business entity shall submit to the Department an application containing at least the following information:

(i) the anticipated date of the establishment and initial operation of the facility and the nature of its operations;

(ii) the expected location of the facility;

(iii) the estimated number of qualified positions to be created and qualified employees to be hired and the anticipated payroll of the new qualified employees; and

(iv) any other information the Department requires.

(c) (1) An existing business entity may apply to be certified as a qualified business entity if the existing business entity increases the number of qualified positions as required under subsection (a) of this section for an eligible project in a Tier I area or a Tier II area.

(2) An existing business entity may not be certified as a qualified business entity unless the business entity:

(i) notifies the Department of its intent to seek designation of an eligible project prior to hiring any employees to fill the qualified positions necessary to meet the requirements of this subtitle; and

(ii) offers an ongoing job skills enhancement training program or postsecondary education program that is approved by the Department.

(3) An existing business entity shall submit an application to the Department containing at least the following information:

(i) the number of full-time employees existing before the expansion and the payroll of the existing employees;

(ii) the estimated number of qualified positions to be created and qualified employees to be hired and the anticipated payroll of the new qualified employees; and

(iii) any other information that the Department requires.

(d) A business entity must begin hiring the employees to fill the qualified positions necessary to meet the requirements of this subtitle within 12 months after it notifies the Department of its intent to seek designation of an eligible project.

#### **§ 6-804. Program Benefits and Enrollment.**

(a) The Program benefits authorized under this section may be claimed by a qualified business entity for up to 10 consecutive benefit years.

(b) On enrollment in the Program:

(1) a new business entity in a Tier I area is eligible for:

(i) a credit against the State income tax, established under § 10-741(b) of the Tax – General Article;

(ii) a credit against the State property tax, established under § 9-110 of the Tax – Property Article;

(iii) a refund of sales and use tax paid during the immediately preceding taxable year, as provided under § 11-411 of the Tax – General Article; and

(iv) a waiver of fees charged by the State Department of Assessments and Taxation, established under § 1-203.1 of the Corporations and Associations Article; and

(2) except as provided in subsection (c) of this section, an existing business entity that operates an eligible project is eligible for a credit against the State income tax, established under § 10-741(b) of the Tax – General Article.

(c) The income tax credit established under § 10-741(b) of the Tax – General Article is not available to an existing business entity if the entity moves its facility to another county in the State on or after June 1, 2017.

(d) If the number of qualified positions at the eligible project decreases to a number less than the number established in the first benefit year, the project shall be removed from the Program and all program benefits terminate.

#### **§ 6-805. Eligible Project Certificate.**

(a) The Department shall provide to a qualified business entity a certificate that:

(1) certifies the eligible project that is enrolled in the Program;

(2) provides the duration of the certification; and

(3) provides any additional information necessary for the Comptroller and Department to administer the Program.

(b) The Department may not provide a qualified business entity a certificate on or after June 1, 2022.

#### **§ 6-806. Revocation of Certification.**

(a) The Department may revoke its certification under this subtitle, in whole or in part, if any representation made by a qualified business entity is determined by the Department to have been false when made.

(b) If the Department revokes its certification as provided under subsection (a) of this section, the Comptroller may make an assessment against the qualified business entity to recapture any amount of a tax credit or any other benefit that the qualified business entity has received.

#### **§ 6-807. Verification and Use of Information; Confidentiality.**

(a) The Department may require that any information provided under this subtitle be verified by an independent certified public accountant that the qualified business entity and the Department select.

(b) (1) Acceptance by a qualified business entity of the Program benefits under this subtitle shall be deemed to authorize the Comptroller to share with the Department any information received from a qualified business entity about eligibility for a benefit allowed under this subtitle.

(2) Information that is received by the Department or Comptroller under paragraph (1) of this subsection is subject to confidentiality requirements established by law.

**§ 6–808. Regulations.**

The Secretary may adopt any regulation necessary and appropriate to carry out this subtitle.

**§ 6–809. Reporting.**

On or before December 1 each year, the Department shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on the qualified business entities receiving final certification in the preceding fiscal year.