

DIVISION OF FINANCE
MORE JOBS FOR MARYLANDERS PROGRAM

ANNUAL STATUS REPORT
FISCAL YEAR 2021
ECONOMIC DEVELOPMENT ARTICLE

SECTION 6-809

Submitted by:

Maryland Department of Commerce

December 2021

STATUS REPORT

MORE JOBS FOR MARYLANDERS

FISCAL YEAR 2021

PROGRAM OVERVIEW

Chapter 149, Acts of 2017, established the More Jobs for Marylanders Program (Program) within the Department of Commerce (Commerce) to incentivize and encourage manufacturers to create jobs in areas of Maryland that need jobs the most. The incentives are available for a 10-year period for eligible new and existing manufacturers in “Tier 1” or “Tier 2” areas in Maryland that are enrolled in the Program before June 1, 2022, create the minimum required jobs, offer ongoing job training and meet other Program requirements. Chapter 211, Acts of 2019 expanded the program to allow non-manufacturers that locate or expand in a Maryland Opportunity Zone to also qualify.

BENEFIT

The benefits are available for a 10-year period.

TIER 1 NEW MANUFACTURING BUSINESS: (a) a refundable credit against the State’s income tax of 5.75% of wages for each qualified position; (b) a credit against the State’s portion of the property tax; (c) a refund of sales and use tax; and (d) a waiver of fees charged by SDAT.

TIER 1 OR TIER 2 EXISTING MANUFACTURING BUSINESS: A refundable credit against the State’s income tax of 5.75% of wages for each qualified position.

OPPORTUNITY ZONE NEW NON-MANUFACTURING BUSINESS: (a) a refundable credit against the State’s income tax of 5.75% of wages for each qualified position; (b) a credit against the State’s portion of the property tax that is the lesser of 100% of state property tax OR \$250 per qualified position; (c) a refund of sales and use tax; and (d) a waiver of fees charged by SDAT.

OPPORTUNITY ZONE NON-MANUFACTURING EXISTING BUSINESS: A refundable credit against the State’s income tax of 5.75% of wages for each qualified position.

Tier 1 Areas include: Baltimore City, Allegany, Baltimore, Caroline, Cecil, Dorchester, Garrett, Kent, Prince George’s, Somerset, Washington, Wicomico and Worcester Counties. Tier 1 Areas also include Opportunity Zones located in any Maryland county. Tier 2 Areas are any areas which are **not** Tier 1 Areas.

QUALIFICATIONS

To qualify a **manufacturing** business must:

- Be a manufacturer primarily engaged in activities at the facility that according to the North American Industrial Classification System, would be included in Sector 31, 32, or 33, except for Refiners.

- Offer ongoing job training or a post-secondary education program (e.g. tuition reimbursement).
- Provide Notice of Intent (NOI) to enroll in the program.
- New or existing manufacturers in Tier 1 Areas must create at least **5** new Qualified Positions.
- Existing manufacturers in Tier 2 Areas must create at least **10** new qualified jobs.
- A Qualified Position is a job that is full-time, pays at least 120% of State minimum wage, and is filled for 12 months before they qualify for credits.
- Begin hiring within 12 months of the Notice of Intent to Commerce. Once a business begins hiring, it must add 5 new qualified positions (Tier 1 Areas) or 10 new qualified positions (Tier 2 Areas) within 12 months after the date of its first new hire.
- Existing manufacturers that move their facility from one Maryland County to another after June 1, 2017 will **not** be eligible to participate.
- Be certified by Commerce as a qualified business entity.

To qualify, a **non-manufacturing** business must:

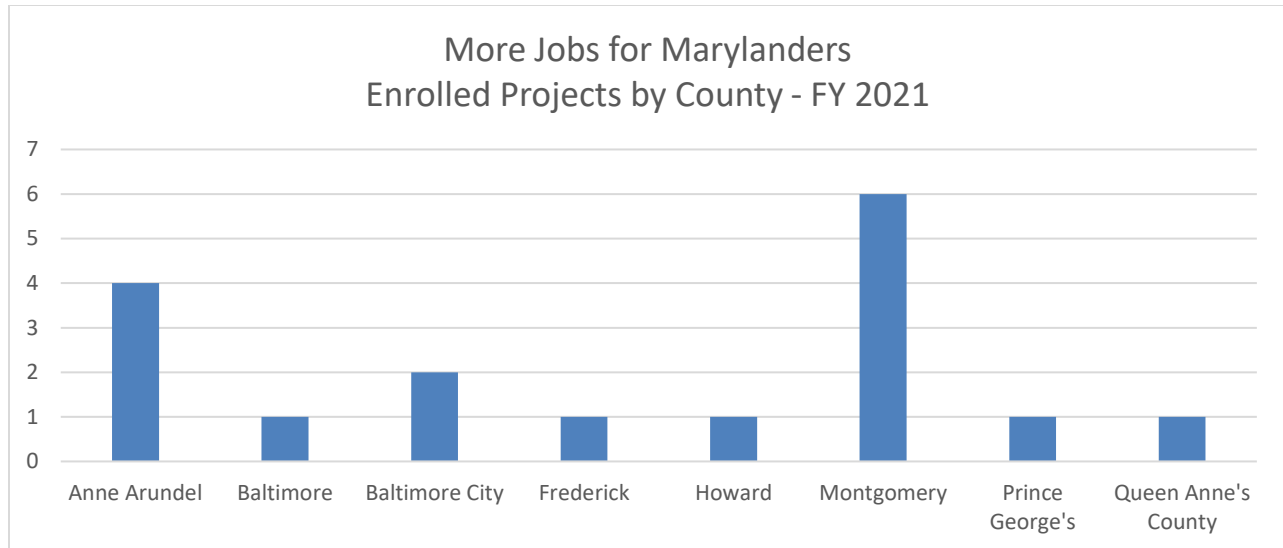
- Be located in an Opportunity Zone
- Provide Notice of Intent (NOI) to Commerce before it begins hiring.
- Create at least 5 Qualified Positions.
 - A Qualified Position is a job that is full-time, pays at least \$50,000 per year, and is filled for 12 months before they qualify for credits.
- Offer ongoing job training or provide a post-secondary education program.
- Begin hiring within 12 months of its Notice of Intent to Commerce. Once a business begins hiring, it must add 5 new qualified positions within 12 months after the date of its first new hire.
- Existing businesses that move their facility from one Maryland County to another after June 1, 2017 will **not** be eligible to participate.
- Be certified by Commerce as a qualified business entity.
- Non-manufacturing businesses do **NOT include businesses that:** (i) provide adult entertainment, (ii) are primarily engaged in retail activities (except Grocery Stores), (iii) are primarily engaged in the sale or distribution of alcoholic beverages, or (iv) are one of the following types of entities: a private or commercial golf course or country club, a tanning salon or a bail bondsman.

PROGRAM ACTIVITY

The More Jobs for Marylanders statute requires Commerce report on the Qualified Business Entities that received Final Certification in the preceding fiscal year. During Fiscal Year 2021, Commerce issued 18 Final Certificates for 16 projects, representing 299 new jobs with an annual aggregate wage of \$23,321,764. Commerce anticipates that additional businesses that have received an Initial Income Tax Credit Certification will submit their Final Application at the end of the calendar year when all positions will be in place for 12 months in order to claim the credits on their 2021 tax return.

During FY 2021, Commerce received 56 NOIs from businesses that are either locating or expanding in Maryland. Commerce enrolled 17 projects during FY 2021. Sixteen projects

represent manufacturers and one project represents a non-manufacturer expanding in an Opportunity Zone. Of the 17 approved projects, 5 are located in Tier 1 Counties and 12 in Tier 2 Counties. All but 2 are existing businesses. Enrolled projects are distributed across the State of Maryland in 11 counties.



Once a project is enrolled in the program, the business is certified as a Qualified Business Entity and may apply for the credits. The next step in the process is to apply for an Initial Income Tax Credit for the business's first benefit year. Commerce issued Initial Income Tax Credit certificates to 18 businesses during FY 2021. Commerce reserved \$7,178,324 of credits in FY 2021, including \$748,976 for businesses in their first benefit year, \$6,364,728 for the second benefit year, and \$64,620 for the third benefit year.

Appendix: More Jobs for Marylanders Incentive Program, Final Income Tax Credits Certified for FY 2021

	Business Name	County of Facility	Jobs Certified	Certified Final Credit Amount
1	Patriot Technologies, Inc.	Frederick	10	34,574
2	Northrop Grumman Systems Corp	Anne Arundel	68	323,389
3	Wright Manufacturing, Inc.	Frederick	14	30,884
4	Mack Trucks, Inc.	Washington	16	68,029
5	Antraquip Corporation	Washington	5	15,545
6	Kite Pharma, Inc.	Montgomery	17	131,504
7	RADA Technologies, LLC	Montgomery	16	87,202
8	Ring Container Technologies LLC ¹	Washington	17	58,045
9	Fabricated Extrusion Co. of MD LLC ²	Washington	11	43,990
10	Alliant Techsystems Operations, LLC	Cecil	19	74,600
11	Alertus Technologies LLC ¹	Prince George's	27	99,231
12	United Foods International, Inc.	Harford	11	27,206
13	Ring Container Technologies LLC ^{1, 2}	Washington	20	68,304
14	The Strouse Corporation	Carroll	14	36,349
15	The General Ship Repair Corp.	Baltimore City	7	21,135
16	Wright Manufacturing, Inc. ¹	Frederick	40	85,972
17	KM Printing LLC ¹	Baltimore	10	42,744
18	Marlin Steel Wire Products LLC	Baltimore City	8	28,679
	Total Amount Certified			1,277,382

¹Reflects Final Certificates issued for Benefit Year 2.

² Considered a “new manufacturer” in a Tier 1 Area.