

# Legislative Alert

## MARYLAND MANUFACTURING TAX CREDIT

Atlas Insight assists companies from all industry sectors and geographies to negotiate and secure tax credits and incentives for business investment and job creation/retention.

The professionals at Atlas Insight are industry leaders in the field of corporate site selection and incentive procurement.

We help to choose locations for all types of business facilities that meet the long-term needs of those operations, while helping to achieve overall corporate goals.

Our team has extensive experience in all corporate sectors and has consulted on many sensitive projects for some of the world's largest corporations. We strive for excellence with every client.

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### Target Audience: Maryland Manufacturers

#### Overview of New Legislation

During the 2017 Maryland Legislative Session, Governor Larry Hogan signed to law the "More Jobs for Marylanders Act of 2017" (SB 317), which provides for significant incentives to Maryland manufacturers that are creating jobs and undertaking capital investment in the State.

The program provides various tax benefits for ten consecutive years based on the type of project (new or expansion), and the facility's location.

Location	Project Type	New Jobs*	Benefits (Earned Annually for 10 Years)
Tier 1 County**	New Facility	5	10 year refundable tax credit equal to 5.75% of new employee wages 10 year property tax credit equal to \$0.112 per \$100 of increased assessment Sales & Use Tax refund Waiver of State Department of Assessment and Taxation fees
	Expansion	5	
Tier 2 County ***	New or Expansion	10	10 year refundable tax credit equal to 5.75% of new employee wages

\* New Jobs must be created within a 12-month period and must pay 120% of the State Minimum Wage.

\*\* Tier 1: Baltimore City; Allegany, Dorchester, Somerset, Worcester, Prince George, Washington and Baltimore Counties

\*\*\* Tier 2: All non-Tier 1 Counties.

**The Department of Commerce will begin accepting applications starting June 1st, 2017.** To qualify, a project must be primarily engaged in manufacturing activities (excluding refiners), and must provide ongoing training to its employees. "New" projects must be certified by the Maryland Department of Commerce *before* there is a final decision to locate in the State. Additionally, for all project types, a Notice of Intent (NOI) must be filed with the Department *prior* to the creation of any new jobs and investment. Companies must then adhere to all administrative and compliance guidelines over the 10 year period to remain eligible for incentives.

#### Recommended Action

The legislation demonstrates Maryland's intent to aggressively spur manufacturing growth, as the program immediately becomes one of the most accessible and lucrative in the country. If you are a manufacturer considering expanding in Maryland, contact Atlas Insight today for a consultation. We are ready to navigate your team through the application, approval, and compliance steps, ensuring that you maximize the available benefits.