

ANNAPOLIS REPORT



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We Work For You

The 2012 session of the Maryland General Assembly is in session and addressing a number of issues that impact the technology and life science communities. Issues like tax climate, transportation, economic development incentives, higher education and workforce are being debated over the 90 days of session. TCM, the only tech council in Maryland that advocates and lobbies for the interests of innovative companies, is in Annapolis full time working for you.

Tech Council of Maryland's Advocacy Team

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TCM

TCM is Maryland's largest tech and biotech industry association. Our membership consists of more than 400 tech and biotech companies, along with government, academia and service providers, who employ more than 250,000 people in Maryland and the region. TCM's mission is to create an environment where Maryland's most innovative companies can collaborate, grow and succeed. Through TCM's two divisions, MdTech and MdBio, we work on behalf of our members by providing public policy advocacy, educational opportunities, peer to peer networking events, cost saving programs and access to key players in Maryland. TCM is also able to serve the tech and biotech community through assets like the Maryland Health Care Product Development Corporation, which provides early-stage investment in biomedical technologies and the MdBioLab program, which is a mobile bioscience laboratory that visits Maryland high schools to teach science literacy.

TCM 2012 Policy Platform Top Priorities

- Create or expand programs that further enhance opportunities for innovative companies to bring new jobs and investments to Maryland.

- Increase funding for focused economic development incentives like the Biotech Tax Credit, Research and Development Tax Credit and programs at TEDCO.

- Create certainty for the business community by opposing new corporate taxes or changes to the tax structure.

- Develop and implement long-term, stable funding solutions for Maryland's transportation infrastructure and higher education system.

The 2012 Policy Platform outlines TCM's

legislative and budget priorities for Maryland. The document is shared with important policymakers and is the foundation for our advocacy efforts in Annapolis. To read the complete 2012 TCM Policy Platform, click [here](#).

TCM Government Relations Committee

The Government Relations Committee provides guidance and leadership to TCM's advocacy

TCM Top Priority for Passage

TCM's top priority for the 2012 is SB 570/HB 943 - *Tax Credit - Qualified Research and Development Expenses - Small Business Refund*. The bills triple the Maryland Research and Development Tax Credit cap from \$6 million to \$18 million. It also allows small businesses without current profits to benefit from the program for the first time. The current R&D Tax Credit program provides tax credit benefits Maryland businesses that incur qualified research and development expenses in Maryland. Making this program more attractive to Maryland's technology and life science companies is a longtime priority for TCM. Research and development provides high-paying jobs, but the work can often be done anywhere in the country. TCM supports keeping that work in Maryland and believes the R&D Tax Credit is an important incentive to achieve those goals. Please contact [Brian Levine](#) if you want to help us secure passage of this legislation.

TCM Top Priority to Defeat

TCM's top priority for defeat in 2012 is SB 739/HB 764 -- *Tax Credit Evaluation Act*. These bills establish an evaluation committee to determine whether a tax credit is necessary for the public interest. While this is a laudable goal, the bill further requires the termination of all tax credit programs, including the Biotech Tax Credit and the Research and Development Tax Credit, every five years and requires that they be reinstated through legislative action. This portion of the bill would have a devastating effect on important incentives for technology and life science companies. Terminating the programs every five years would negate the benefit of most tax credit programs and create further uncertainty for the business community. Transparency of incentive programs, which exists now as most programs have legislative sunsets and required annual reporting, is important. However, the bill goes too far. Please contact [Brian Levine](#) if you want to help us defeat this legislation.

Other Top Priorities

TCM is taking a position on more than 30 other important pieces of legislation and monitoring the progress of more than 30 additional bills. This is particularly busy session for Maryland's innovation business community. Some important bills TCM is working on includes the following:

- One of TCM's highest priorities is the passage of the Governor's Maryland Innovation Initiative, which helps Maryland's innovation sector by translating ideas hatched at universities into products, jobs and new companies. This tech transfer and commercialization bill seeks to close Maryland's huge gap between federal research and development funding and

Bills To We Watch For You

The following are bills we are watching for you during the 2012 session of the Maryland General Assembly. The legislation is organized by topic and then by bill number. Each bill has a title, number (with a link to the General Assembly's website for more detailed information), sponsor, summary, status and TCM's position.

Technology/Biotechnology Legislation

Budget Reconciliation and Financing Act of 2012 (SB 152 / HB 87)

Sponsor: Governor

Summary: Institutes the sales tax for digital products purchased online including music, newspapers, greeting cards and books. Institutes a tax on remote sellers of products including those who sell products on the Internet.

Status: SB 152 referred to the Senate Budget and Taxation Committee. Hearing February 29. HB 87 referred to the referred to the House Appropriations Committee and House Ways and Means Committee. Hearing March 1.

TCM Position: Oppose. These bills harm Maryland's innovation economy.

Economic Development - Maryland Technology Development Corporation - Maryland Innovation Initiative (SB 239 / HB 442)

Sponsor: Governor, et al

Summary: Establishes the Maryland Innovation Initiative to be administered by TEDCO. Establishes the purpose of the initiative is to: (1) promote the commercialization of research conducted in universities; (2) encourage qualifying universities to partner on commercialization, including with federal laboratories located in Maryland; and (3) facilitate the transfer of technology from universities to commercial industries, by assessing the viability and value of the technology, defining and exploiting potential markets for the technology, identifying funding sources to support the development of the technology and developing commercialization strategies. Requires that to qualify for participation, a university shall provide at least \$250,000 annually to the initiative.

Status: SB 239 referred to the Senate Finance Committee and Senate Budget and Taxation Committee. Hearing February 7. HB 442 referred to the referred to the House Economic Matters and House Appropriations Committee.

TCM Position: Support. These bills promote tech transfer and commercialization, which will lead to new products, companies and jobs in the innovation sector.

Income Tax Credit - Security Clearance Expenses (SB 296 / HB 1248)

Sponsor: Senator Manno, et al / Delegate Ross, et al

Summary: Allows a credit against the State income tax for costs incurred to obtain federal

efforts during the legislative session and throughout the year. If you have any questions about TCM's advocacy efforts or wish to join the Government Relations Committee, please contact Brian Levine at 240-243-4044 or email.

Contact Your Elected Representatives

Especially during the legislative session, but even in between sessions, it is important for members of TCM to contact their legislators in Annapolis. Elected officials want to hear from their constituents about what is important to your business. To find out who your elected officials are, just type your home or work address in [this link](#). If you need any assistance, please contact [Brian Levine](#).

Key 2012 Session Dates

January 11 General Assembly convenes

January 18 Final date for Governor to introduce budget bill

January 24 Senate and House bill request guarantee date

February 3 Senate bill introduction date (Senate bills introduced after this date referred to the Senate Rules Committee)

February 10 House bill introduction date (House bills introduced after this date referred to the House Rules and Executive Nominations Committee)

March 5 Final date for introduction of bills without suspension of Rules

March 20 Committee Reporting Courtesy Date (each Chamber's committees to report their own bills by this date)

March 26 Opposite Chamber Bill Crossover Date (each Chamber to send to other Chamber those bills it intends to pass favorably)

April 2 Budget bill must be passed by both Chambers

April 9 General Assembly adjourns at midnight

commercialization of technologies developed at universities.

- The Governor has proposed to apply the 6% sales tax to digital downloads, which include online purchases of items like newspapers, music and books. The same bill also seeks to tax out of state retailers that have an online relationship with a Maryland vendor. TCM opposes these new taxes.
- Several bills seek to alter the corporate tax, institute combined reporting or change the income tax structure, which directly impacts small businesses not registered as corporations. Another bill levies the sales tax on a number of services, though computer services are not on the list. TCM is opposing these bills in an effort to bring more certainty to Maryland business climate.
- There are a few bills that create new incentives for technology companies. These include a bill to assist Maryland firms with qualified preparation expenses for GSA schedule preparation. Another bill provides incentives for companies and individuals seeking federal security clearances. Finally, another bill creates a bridge program for companies that are between Phase I and Phase II of the federal SBIR and STTR programs.
- TCM is also taking a position on bills that lower health care costs and help telecommunications companies stay competitive. It is important to create a strong business climate in Maryland for companies of all sizes.

TCM FY2013 General Fund Budget Priorities

The following FY2013 General Fund budget items are top priorities for TCM during the 2012 session. To view a copy of the complete FY2013 General Fund budget, click [SB 150](#).

Department of Business and Economic Development (DBED) TCM supports fully funding DBED's FY2013 budget request of \$119 million. Some important programs in DBED's budget include the Biotech Tax Credit, the Maryland Biotechnology Center and the Enterprise and Challenge Investment Programs.

Biotech Tax Credit TCM supports fully funding the FY2013 \$8 million budget request for the Maryland Biotechnology Investment Tax Credit Reserve Fund, which is administered by DBED.

Maryland Biotechnology Center TCM supports fully funding the FY2013 \$3.507 million budget for the Maryland Biotechnology Center in DBED.

Enterprise and Challenge Investment Programs TCM supports fully funding the FY2013 \$1.2 million budget request for the Maryland Enterprise Investment Fund and Challenge Programs, which are administered by DBED.

Maryland Technology Development

security clearances. Requires the Department of Business and Economic Development to administer the tax credit. Requires the Governor to make a \$6,000,000 appropriation in FY 2014 and FY 2015 for the tax credit.
Status: SB 296 referred to the Senate Budget and Taxation Committee. Hearing February 15. HB 1248 referred to the House Ways and Means Committee. Hearing March 2.
TCM Position: Support. These bills help technology companies and government contractors improve their workforce.

Economic Development - Maryland Stem Cell Research Act - Revisions ([SB 399](#) / [HB 289](#))

Sponsor: Senator Pugh, et al / Delegate Feldman
Summary: Alters the name of the Stem Cell Research Commission to be the Stem Cell and Biotechnologies Commercialization Commission. Alters the name of the Maryland Stem Cell Research Fund to be the Maryland Stem Cell and Biotechnologies Commercialization Fund. Establishes that the purpose of the Fund is to support innovative biotechnology research and development that has the potential to create sustainable job growth, including manufacturing jobs. Requires that at least one-third of the grants or loans awarded each year be awarded to for-profit companies headquartered in Maryland and priority be given to applicants that have codevelopment partnerships with for-profit companies, determined by using the matching funds formula of the Maryland Industrial Partnerships Program.
Status: SB 399 referred to the Senate Finance Committee. HB 289 referred to the House Health and Government Operations Committee and Economic Matters Committee. Hearing February 7.
TCM Position: Monitor

Life Sciences Advisory Board - Purpose and Membership ([SB 405](#) / [HB 141](#))

Sponsor: Senator Pugh, et al / Delegate Feldman
Summary: Adds a purpose to the statute that the Life Sciences Advisory Board is to recommend state and federal policies, priorities, practices and legislation to expedite the creation of private sector jobs through the commercialization of life sciences research. Adds three members to the Board for a total of 18 members. Requires that four members are small businesses. Requires seven members have executive experience in life sciences instead of four.
Status: SB 405 referred to the Senate Finance Committee. Hearing February 14. Reported from Committee. HB 141 Referred to the House Economic Matters Committee. Hearing February 8. Reported from Committee. Passed House 131-0.
TCM Position: Support. These bills improve the Life Sciences Advisory Board by mandating participation of small life sciences companies.

Maryland Health Care Commission - Preauthorization of Medical Services and Pharmaceuticals - Standards ([SB 540](#) / [HB 470](#))

Sponsor: Senator Astle / Delegate Tarrant, et al
Summary: Requires the Maryland Health Care Commission to adopt regulations establishing standards for preauthorization by: (1) payors for medical services and pharmaceuticals to be provided after December 31, 2012; (2) pharmacy benefits managers for medical services and pharmaceuticals to be provided after December 31, 2012; and (3) providers for medical services and pharmaceuticals ordered after December 31, 2015. Requires the standards adopted to include a process for a payor, pharmacy benefits manager or provider to obtain an exemption from

Corporation (TEDCO) TCM supports fully funding TEDCO's \$3.173 million FY2013 budget request for technology development, transfer and commercialization.

Maryland Stem Cell Research Fund (MSCFR) TCM supports fully funding the FY2013 \$10.4 million budget request for stem cell research funding, which is administered by TEDCO.

TCM FY2013 Capital Budget Priorities

The following FY2013 Capital budget items are top priorities for TCM during the 2012 session. To view a copy of the complete FY2013 Capital budget, click [SB 151](#).

University of Maryland, College Park Physical Sciences Complex TCM supports fully funding the FY2013 \$29.550 million Capital budget request to construct and equip Phase 1 of the physical sciences complex to provide modern laboratory and office space for the Department of Physics, the Department of Astronomy and the Institute for Physical Sciences and Technology.

Frostburg State University Center for Communications and Information Technology TCM supports fully funding the FY2013 \$44.550 million Capital budget request for the new Center for Communications and Information Technology at Frostburg State University.

Coppin State University Center for Communications and Information Technology TCM supports fully funding the FY2013 \$28.775 million Capital budget request for the new Center for Communications and Information Technology at Coppin State University.

compliance with the standards for extenuating circumstances, including the lack of broadband internet access, a practice with a low patient volume as defined by the Commission or a specialty provider that does not make medical referrals or prescribe pharmaceuticals and may include penalties for noncompliance.
Status: SB 540 referred to the Senate Finance Committee. Hearing March 7. HB 470 referred to House Health and Government Operations Committee. Hearing February 23.
TCM Position: Support. These bills improve health care access, reduce costs and make Maryland more attractive to innovative companies.

Telecommunications Taxes - Reform Commission and Moratorium (SB 567 / HB 563)
Sponsor: Senator King, et al / Delegate Hixson, et al

Summary: Establishes the Telecommunications Tax Reform Commission. Requires the Commission to assess the feasibility and fiscal implications of a competitively neutral telecommunications tax and fee system that eliminates the disparate treatment of similar telecommunications service providers.
Status: SB 567 referred to the Senate Budget and Taxation Committee. HB 563 referred to the House Ways and Means Committee.
TCM Position: Support. These bills examine an important issue related to technology companies.

Tax Credit - Qualified Research and Development Expenses - Small Business Refund (SB 570 / HB 943)

Sponsor: Senator King, et al / Delegate Barve
Summary: Triples the Maryland Research and Development Tax Credit cap from \$6 million to \$18 million. Defines small business as a for-profit corporation, limited liability company, partnership, or sole proprietorship with net book value assets totaling, at the beginning or the end of the taxable year for which Maryland qualified R&D expenses are incurred, as reported on the balance sheet, less than \$5,000,000. Provides that if the credit allowed in any taxable year exceeds the state income tax for that taxable year, a small business may claim a refund in the amount of the excess.
Status: SB 570 referred to the Senate Budget and Taxation Committee. Hearing March 9. HB 943 referred to the House Ways and Means Committee. Hearing March 6.
TCM Position: Support. These bills help keep Maryland's R&D Tax Credit competitive while encouraging smaller, earlier stage companies to participate.

Maryland Biotech SBIR and STTR Bridge Program (SB 961 / HB 1198)
Sponsor: Senator Pugh / Delegate Lee, et al
Summary: Establishes a Maryland Biotech SBIR and STTR Bridge Program to be administered by TEDCO to provide bridge funding to eligible biotechnology businesses that have completed an SBIR (federal Small Business Innovation Research Program) or STTR (federal Small Business Technology Transfer Research Program) Phase I project and have applied for an SBIR or STTR Phase II award. Requires that for a biotechnology business to receive one of the 10 grants per year of no more than \$100,000, it must certify that: (1) more than 50% of the research described in the SBIR or STTR Phase I proposal will be conducted in Maryland; (2) the eligible biotechnology business will maintain its principal place of business in the state for the duration of the SBIR or STTR Phase II project; and (3) the eligible biotechnology business will not receive concurrent funding from another source that duplicates the purpose of this program.

Status: SB 961 referred to the Senate Rules Committee. HB 1198 referred to the House Economic Matters Committee and House Appropriations Committee. Hearing March 13.
TCM Position: Support. These bills help Maryland companies navigate the difficult time period between Phase I and Phase II of these federal programs.

Economic Development - Green Business Incentive Zones (SB 651)

Sponsor: Senator Ramirez, et al
Summary: Authorizes the creation of green business incentive zones. Defines green business to mean a business entity that is primarily engaged in researching, manufacturing, or deploying: (1) renewable energy technologies or services; (2) energy storage technologies or services; (3) energy efficiency and conservation technologies or services; or (4) other technologies that contribute to the production of energy from renewable or sustainable sources.

Status: Referred to the Senate Budget and Taxation Committee. Hearing March 13.
TCM Position: Monitor

Telecommunications Companies - Universal Service Trust Fund - Surcharge (SB 746 / HB 1087)

Sponsor: Senator Middleton / Delegate Hixson & Davis

Summary: Expands the services that are subject to the Universal Service Trust Fund surcharge.

Status: SB 746 referred to the Senate Finance Committee. Hearing March 6. HB 1087 referred to House Economic Matters Committee. Hearing March 8.

TCM Position: Oppose.

Department of Health and Mental Hygiene - Containment Laboratories - Oversight (SB 758)

Sponsor: Senator Young, et al

Summary: Establishes the Containment Laboratory Oversight Division in the Department of Health and Mental Hygiene. Requires the Division to establish and enforce standards for the location, design, maintenance and operations of containment laboratories in Maryland that protect the health and safety of lab workers, the public and the environment from potentially harmful biological agents. Requires that on or after January 1, 2014, a facility be licensed by the Division before the facility may operate a containment laboratory.

Status: Referred to the Senate Finance Committee.

TCM Position: Oppose. This bill could harm life sciences companies and should be the purview of the federal government.

Task Force to Develop a Creativity and Innovation Index for Maryland (SB 983)

Sponsor: Senator Ferguson

Summary: Establishes the Task Force to Develop a Creativity and Innovation Index for Maryland. Requires the task force to (1) study how to measure the opportunities for Maryland students to engage in innovative work, including consultation with experts in innovation in the fields of business, science, technology, mathematics, engineering, and arts education. Requires the task force to make recommendations regarding the creation of a Creativity and Innovation Index for Maryland to measure the opportunities for Maryland students to engage in innovative work in K 12 schools.

Status: Referred to the Senate Rules Committee.

TCM Position: Monitor

Income Tax Credit - General Services Administration Schedules Program - Preparation Expenses (HB 965)

Sponsor: Delegate Barve & Branch

Summary: Allows an individual or a corporation to claim a credit against the state income tax for qualified preparation expenses related to general services administration program applications and contract proposals. Defines qualified preparation expenses as the ordinary and necessary trade or business expenses paid or incurred during the taxable year related to the preparation of GSA schedules program contract proposals or GSA schedules program applications. Requires that for any taxable year, the credit allowed may not exceed 50% of the qualified preparation expenses incurred by an individual or a corporation. Requires that the credit allowed may not exceed the state income tax for that taxable year, calculated before the application of the credits allowed. Requires that the unused amount of the credit for any taxable year may not be carried over to any other taxable year.

Status: Referred to the House Ways and Means Committee. Hearing March 2.

TCM Position: Support. This bill helps expose technology companies to new business opportunities.

Economic Development - Sickle Cell Disease Research Program (HB 1026)

Sponsor: Delegate V. Turner, et al

Summary: Establishes the Sickle Cell Disease Research program and the Sickle Cell Disease Research Fund to be administered by TEDCO. Establishes that the purpose of the program is to promote milestone-driven translational research using bone marrow and umbilical cord blood to develop cures for sickle cell disease and establish Maryland as a key location for sickle cell disease research and treatment. Allows TEDCO to award capital and operating grants to public or private sector entities to develop a cure for sickle cell disease.

Status: Referred to the House Health and Government Operations Committee.

TCM Position: Monitor

Environment - Recycling - Manufacturer Takeback for E-Waste (HB 1136)

Sponsor: Delegate Reznik

Summary: Prohibits, beginning on January 1, 2013, electronics manufacturers from selling, offering for sale, or delivering for subsequent sale electronic devices unless a label is permanently affixed to the device and the manufacturer has registered with and submitted a fee to the Department of the Environment. Requires certain manufacturers to implement and finance electronics takeback programs.

Status: Referred to the House Environmental Matters Committee. Hearing March 2.

TCM Position: Monitor

Cigarette Restitution Fund - Lung Cancer Screening and Biotechnology (HB 1167)

Sponsor: Delegate Reznik, et al

Summary: Establishes a Lung Cancer Screening Component and a Lung Cancer Biotechnology Research and Development Component in the Cancer Prevention, Education, Screening, and Treatment Program.

Status: Referred to the House Health and Government Operations Committee.

TCM Position: Monitor

County Income Tax - Maximum Rate and Authority to Impose on a Bracket Basis (SB 218)

Sponsor: Senator Manno

Summary: Increases to 3.5% the maximum rate a county may impose on an individual's Maryland taxable income.

Status: Referred to the Senate Budget and Taxation Committee. Hearing February 22.

TCM Position: Monitor

Taxation of Corporations - Alternative Minimum Assessment (SB 248)

Sponsor: Senators Jones-Rodwell and Montgomery

Summary: Imposes an alternative minimum assessment (AMA) on corporations doing business in Maryland. Computes the AMA as a percentage of a corporation's gross receipts or gross profits, based on an election made by the corporation and limits the AMA to \$5,000,000 for any corporation and to \$20,000,000 for affiliated groups of corporations.

Status: Referred to the Senate Budget and Taxation Committee. Hearing February 15.

TCM Position: Oppose. This bill harms Maryland's business climate and create uncertainty for technology and life science companies.

State Individual Income Tax - Millionaires' Tax (SB 249 / HB 784)

Sponsor: Senators Jones-Rodwell and Pinsky / Delegate Ivey, et al

Summary: Increases the State income tax rate for an individual to 6.25% of Maryland taxable income in excess of \$1,000,000.

Status: Referred to the Senate Budget and Taxation Committee. Hearing February 8. HB 784 referred to the House Ways and Means Committee. Hearing February 28.

TCM Position: Oppose. These bills harm Maryland's business climate and create uncertainty for technology and life science companies.

Maryland Business Tax Fairness Act (SB 269 / HB 941)

Sponsor: Senator Pinsky, et al / Delegate Ross, et al

Summary: Requires corporations to compute Maryland taxable income a combined reporting method reflecting the aggregate income tax liability of all the members of the group.

Status: SB 269 referred to the Senate Budget and Taxation Committee. Hearing February 22. HB 941 referred to the House Ways and Means Committee. Hearing March 6.

TCM Position: Oppose. These bills harm Maryland's business climate and create uncertainty for technology and life science companies.

Income Tax - Rate Increase and Personal Exemption Reduction (SB 323)

Sponsor: Senator Manno

Summary: Would have increased the State income tax rate by .25% on individual income. Would have reduced the amount allowed as a deduction for personal exemptions under the Maryland income tax.

Status: *Unfavorable Report and Withdrawn.*

TCM Position: Monitored

Job Creation Tax Credit - Amount of Credit and Termination Provisions (SB 477 / HB 1107)

Sponsor: Senator Klausmeier, et al / Delegate Olszewski, et al

Summary: Increases the amount of Job Creation Tax Credit benefits. Extends program sunset from

2014 to 2020.

Status: SB 477 referred to the Senate Budget and Taxation Committee. Hearing March 7. HB 1107 referred to the House Ways and Means Committee. Hearing March 9.

TCM Position: Monitor

Corporate Income Tax - Investments in Maryland (SB 519 / HB 1116)

Sponsor: Senator Shank / Fisher, et al

Summary: Lowers the corporate income tax rate from 8.25% to 6.00% if corporation makes a qualifying investment. Defines qualifying investment as: (1) an investment in the state; (2) the purchase of any capital equipment that is placed in service in the state; (3) the purchase of any infrastructure placed in service in the state; and (4) any expenses for research and development performed in the state.

Status: SB 519 referred to the Senate Budget and Taxation Committee. Hearing March 7. HB 1116 referred to the House Ways and Means Committee. Hearing March 9.

TCM Position: Monitor

Income Tax - Expensing of Business Property and Bonus Depreciation (SB 653 / HB 581)

Sponsor: Senator Klausmeier, et al / Delegate Bates, et al

Summary: Limits to property placed in service before January 1, 2012, the applicability of Maryland income tax modifications for deductions for the cost of the property that is treated as an expense for federal income tax purposes. Limits to property placed in service before January 1, 2012, the applicability of Maryland income tax modifications for additional depreciation allowance under the federal income tax for specified property.

Status: SB 653 referred to the Senate Budget and Taxation Committee. Hearing March 13. HB 581 referred to the House Ways and Means Committee. Hearing February 21.

TCM Position: Monitor

Tax Credit Evaluation Act (SB 739 / HB 764)

Sponsor: Senator Madaleno, et al / Delegate Frick, et al

Summary: Establishes an evaluation committee to determine whether a tax credit is necessary for the public interest. Requires the committee to discuss: (1) the purpose for which the tax credit was established; (2) whether the original intent of the tax credit is still appropriate; (3) whether the tax credit is meeting its objectives; (4) whether the purposes of the tax credit could be more efficiently and effectively carried out through alternative methods; and (5) the costs of providing the tax credit. Terminates all tax credit programs, including the Biotech Tax Credit and the Research and Development Tax Credit, every five years and requires that they be reinstated through legislative action.

Status: SB 739 referred to the Senate Budget and Taxation Committee. Hearing March 14. HB 764 referred to the House Ways and Means Committee. Hearing February 28.

TCM Position: Oppose. These bills harm Maryland's business climate and create uncertainty for technology and life science companies.

Income Tax - Repeal of the 1997 Income Tax Reduction (SB 523 / HB 836)

Sponsor: Senator Manno / Healey, et al

Summary: Increases the State income tax rate by 0.25%.

Status: SB 523 referred to the Senate Budget and Taxation Committee. Hearing February 29. HB 836 referred to the House Ways and Means

Committee. Hearing February 28.
TCM Position: Monitor

Corporate Income Tax - Rate in Economically Depressed Counties (SB 793)

Sponsor: DBED

Summary: Reduces the corporate income tax rate from 8.25% to 6% for income attributable to operations of a corporation in a qualified distressed county.

Status: Referred to the Senate Budget and Taxation Committee. Hearing March 14.

TCM Position: Monitor

Corporate Income Tax - Rate Reduction (HB 234)

Sponsor: Delegate Ready, et al

Summary: Reduces the Maryland corporate income tax rate from 8.25% to 7% for taxable years after tax year 2011.

Status: Referred to the House Ways and Means Committee. Hearing February 14.

TCM Position: Monitor

Sales and Corporate Income Tax Relief (Better Maryland - Tax Relief) (HB 429)

Sponsor: Delegate Schuh, et al

Summary: Reduces the State income tax rate on the Maryland taxable income of corporations from 8.25% to 7.25%. Alters rate of the sales and use tax from 6% to 5.5% for fiscal year 2013 and to 5% beginning July 1, 2013.

Status: Referred to the House Ways and Means Committee.

TCM Position: Monitor

Tax Credit for Businesses That Create Jobs - Enhanced Credit - Extension (HB 592)

Sponsor: DBED

Summary: Extends the duration of the enhanced tax credit for businesses that create new jobs for business entities that construct or expand business premises for an additional 12-year period.

Status: Referred to the House Ways and Means Committee. Hearing February 28.

TCM Position: Support. This bill extends an incentive that keeps jobs in Maryland.

Income Tax - Capital Gains (HB 956)

Sponsor: Delegate Gutierrez, et al

Summary: Provides an additional Maryland individual income tax rate of 2% on net capital gains for individuals.

Status: Referred to the House Ways and Means Committee. Hearing March 6.

TCM Position: Monitor

Sales and Use Tax - Services (HB 1051)

Sponsor: Delegate Hixson & Gilchrist

Summary: Imposes the 6% sales tax on 30 new services including cable television, management/business consulting and a testing laboratory service. The bill does not propose a computer services sales tax.

Status: Referred to the House Ways and Means Committee. Hearing March 6.

TCM Position: Oppose. This bill harms Maryland's business climate and create uncertainty for technology and life science companies.

Graduated Income Tax Reform (HB 1346)

Sponsor: Delegate Hixson & Delegate Mizeur

Summary: Increases the rates and rate brackets under the State income tax on individuals. Raises the amounts of income tax required to be withheld on wages. Raises the determination of the amount of the standard deduction allowed for an

individual under the Maryland income tax.

Status: Referred to the House Rules and Executive Nominations Committee.

TCM Position: Monitor

Transportation Legislation

Transportation Trust Fund - Appropriation of General Fund Surplus ([SB 233](#))

Sponsor: Senator Jacobs, et al

Summary: Requires the Governor to include in the budget bill in an appropriation to the Transportation Trust Fund of unappropriated General Fund surplus.

Status: Referred to the Senate Budget and Taxation Committee. Hearing February 15.

TCM Position: Monitor

Transportation Trust Fund - Dedicated Highway Funds ([SB 403](#))

Sponsor: Senator Brinkley, et al

Summary: Proposes an amendment to the Maryland Constitution to establish a Transportation Trust Fund to be used only for purposes relating to transportation. Prohibits the reversion or crediting of any part of the Transportation Trust Fund to the General Fund or a special fund.

Status: Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor

Highway User Revenue Distribution ([SB 440](#))

Sponsor: Senator Garagiola, et al

Summary: Reduces the percentages of revenues credited to the Gasoline and Motor Vehicle Revenue Account that are authorized to be used by the Department of Transportation.

Status: Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor

Transportation Trust Fund - Financing - Use of Funds ([SB 441](#))

Sponsor: Senator Garagiola, et al

Summary: Proposes an amendment to the Maryland Constitution to establish a Transportation Trust Fund to be used only for purposes relating to transportation.

Status: Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor

Maryland Transportation Financing and Infrastructure Investment Act of 2012 ([SB 971](#) / [HB 1302](#))

Sponsor: Governor

Summary: Institutes a 6% sales tax on motor fuel in Maryland.

Status: SB 971 referred to the Senate Rules Committee. HB 1302 referred to the House Rules and Executive Nominations Committee.

TCM Position: Monitor

Transportation Trust Fund Protection Act ([HB 146](#))

Sponsor: Delegate Krebs, et al

Summary: Proposes an amendment to the Maryland Constitution to establish that the Transportation Trust Fund may only be used for purposes relating to transportation. Prohibits the reversion or crediting of any part of the Transportation Trust Fund to the General Fund or a special fund of the State.

Status: Referred to the House Appropriations Committee. Hearing February 7.



TCM Position: Monitor

Motor Fuel Tax - Increase - Construction Cost Index (HB 1156)

Sponsor: Delegate Frick

Summary: Increases the motor fuel tax rates based on the percentage growth in the Construction Cost Index.

Status: Referred to the House Ways and Means Committee.

TCM Position: Monitor

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