

Expedited Bill No. 14-16
Concerning: Taxation – New Jobs Tax
Credit and Enhanced New Jobs Tax
Credit – Amount of Tax Credit – Term
of Credit
Revised: April 13, 2016 Draft No. 1
Introduced: April 19, 2016
Enacted: May 18, 2016
Executive: May 25, 2016
Effective: May 25, 2016
Sunset Date: None
Ch. 18, Laws of Mont. Co. 2016

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the request of the County Executive

AN EXPEDITED ACT to:

- (1) change the term of the Enhanced New Jobs Tax Credit; and
- (2) generally amend the law governing the Enhanced New Jobs Tax Credit

By amending

Montgomery County Code
Chapter 52, Taxation
Article X, New Jobs Tax Credit and Enhanced New Jobs Tax Credit
Section 52-72

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 52-72(b) is amended as follows:**

2 **52-72. Amount of tax credit; pass-through to lessees.**

3 (a) The new jobs tax credit that a taxpayer may claim against County
4 property taxes under this Article is the following percentage of the
5 property tax imposed on the assessment of the new or expanded
6 premises:

7 (1) 52% during the first and second taxable years in which a credit is
8 allowed;

9 (2) 39% during the third and fourth taxable years in which a credit is
10 allowed; and

11 (3) 26% during the fifth and sixth taxable years in which a credit is
12 allowed.

13 After the sixth taxable year, the Finance Director must not allow a new jobs
14 tax credit under this Article.

15 (b) The enhanced new jobs tax credit that a taxpayer may claim against
16 County property taxes under this Article is 58.5% of the property tax
17 imposed on the increase in assessment of:

18 (1) the new or expanded premises; and

19 (2) any substantially renovated real property adjoining or
20 neighboring the new or expanded premises. A renovation is

21 substantial for purposes of this subsection if the renovation
22 results in a complete rehabilitation of at least 50% of each
23 building on the property.

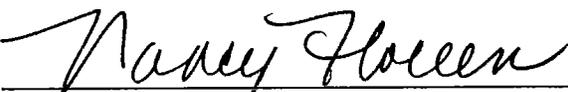
24 The taxpayer may claim this credit in each of the first [12] 24 taxable years
25 after the Director certifies that the taxpayer is eligible for the credit.

26 (c) A lessor of real property must reduce the amount of taxes for which an
27 eligible business entity is contractually liable under a lease or rental
28 agreement by the amount of any tax credit allowed under this Article.

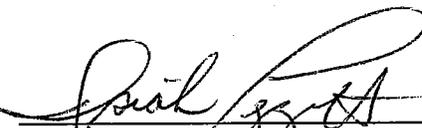
29 **Section 2. Expedited Effective Date**

30 The Council declares that this legislation is necessary for the immediate
31 protection of the public interest. This Act takes effect on the date on which it
32 becomes law.

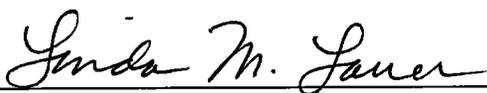
33 *Approved:*

34  May 18, 2016
Nancy Floreen, President, County Council Date

35 *Approved:*

36  May 25, 2016
Isiah Leggett, County Executive Date

37 *This is a correct copy of Council action.*

38  5/26/2016
Linda L. Lauer, Clerk of the Council Date