COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the County Executive

AN ACT to:
(1) exempt certain taxpayers located in an arts and entertainment district from the County amusement tax; and
(2) allow a property tax credit for certain renovated buildings located in an arts and entertainment district.

By amending
Montgomery County Code
Chapter 52, Taxation
Section 52-16A

By adding
Chapter 52, Taxation
Section 52-18L

The County Council for Montgomery County, Maryland approves the following Act:
Sec 1. Section 52-16A is amended as follows:

52-16A. Admissions and amusement tax

(a) * * *

(b) * * *

(4) Gross receipts from any admissions and amusement charge levied by an arts and entertainment enterprise or qualifying residing artist in an arts and entertainment district designated under state law.

Sec 2. Section 52-18L is added as follows:

52-18L. Property tax credit – arts and entertainment district.

(a) In this Section the following words have the meanings indicated:

* * *

(b) The Director of Finance must allow a tax credit, as authorized by state law, to a taxpayer against the County property tax imposed on a manufacturing, commercial, or industrial building that:

(1) is located in an arts and entertainment district; and
(2) is wholly or partially renovated for use by a qualifying residing artist or an arts and entertainment enterprise.

(c) A tax credit granted under this Section applies for 10 years, as provided in subsection (d), as long as the building is used by a qualifying residing artist or an arts and entertainment enterprise.

(d) The Director must calculate a tax credit allowed under this Section as follows:

(1) Except for properties allowed an Enterprise Zone Tax Credit, the amount of the tax credit under this Section is the following percentage of the amount of property tax imposed on the eligible assessment of the property entitled to the credit:

(A) 80% in each of the first 5 taxable years after the calendar year when the property initially is entitled to the credit;
(B) 70% in the 6th taxable year;
(C) 60% in the 7th taxable year;
(D) 50% in the 8th taxable year;
(E) 40% in the 9th taxable year; and
(F) [no credit] 30% in the 10th taxable year.

(2) For properties allowed an Enterprise Zone Tax Credit, the amount of the tax credit under this Section is 20% of the amount of property tax imposed on the eligible assessment of the property entitled to the credit for each of the 10 taxable years after the calendar year when the property initially is
entitled to the credit. The credit under this section is in addition to the Enterprise Zone Tax Credit.

Approved:

Steven A. Silverman, President, County Council

Date

Douglas M. Duncan, County Executive

Date

This is a correct copy of Council action.

Mary A. Edgar, Clerk of the Council

Date

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