

Program:

Enterprise Zone Tax Credits

Type of Benefit: Real Property Tax Credits available for improved property. Income tax Credits also available to qualified employers who create a minimum of 2 jobs.

LOCAL REAL PROPERTY TAX CREDITS*

Credits are available for up to ten years on capital investments. Credit of 80% on increases in assessed value of real property for first five years, decreasing by 10% annually for the remaining five years. Any real property tax credits are granted for full taxable years only.

*NOTE: Businesses seeking local real property tax credits must apply to the Office of Economic Development and applicable municipal departments prior to completing the construction or rehabilitation project. Real property tax credits may not be granted retroactively.

AND/OR

STATE INCOME TAX CREDITS

The Maryland's Enterprise Zone Program provides special tax credits to encourage businesses in the enterprise zone to create new jobs. The credits are more valuable than deductions because credits are subtracted directly from income tax liability. There are two types of income tax credits for firms in an enterprise zone; a general income tax credit and a larger income tax credit for hiring economically disadvantaged employees (certified by the State).

Minimum full-time Job Creation

- 2 new (if business has 10 or less employees)
- 5 new (if business has 10 or more employees)

Eligibility:

Business must be located within the zone and meet minimum requirements for job creation or for capital investment, including, but not limited to, specified design standards.

MINIMUM CAPITAL INVESTMENT CONSTRUCTION/REHABILITATION OF REAL PROPERTY:

- \$75,000 (if business has 10 or less employees)
- \$125,000 (if business has 11 or more employees)

MINIMUM JOB CREATION:

- 2 new jobs* (if business has 10 or less employees)
- 5 new jobs* (if business has 11 or more employees)

* Working 35 hours per week or more, hourly pay must be 150% of minimum wage; half of work time must be within Enterprise Zone

