

HB1248/695163/1

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 1248
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Clearance Expenses” and substitute “Clearances – Employer Costs”; in line 5, after “clearances” insert “and to construct or renovate certain sensitive compartmented information facilities”; strike beginning with “requiring” in line 5 down through “certificates” in line 9 and substitute “providing for applications to the Department of Business and Economic Development for approval of the credit and certification by the Department to taxpayers of approved credit amounts; limiting the total amount of credits that the Department may approve for any calendar year to a certain amount; requiring the Department to approve a prorated credit for each applicant if the total amount applied for exceeds the maximum that may be approved; requiring certain individuals or certain corporations to file amended tax returns in a certain manner to claim a certain tax credit”; strike beginning with “providing” in line 9 down through “years;” in line 21; in line 24, after “Act;” insert “providing for the termination of certain provisions of this Act;”; and in line 26, strike “incurred to obtain” and substitute “related to”.

AMENDMENT NO. 2

On page 2, strike beginning with “THE” in line 21 down through “CLEARANCE” in line 22 and substitute “COSTS, AS DEFINED UNDER § 10-731 OF THIS TITLE, FOR SECURITY CLEARANCE ADMINISTRATIVE EXPENSES AND CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR RENOVATE A SENSITIVE COMPARTMENTED INFORMATION FACILITY”; in line 22, strike the first “THE” and substitute “AN”; and in line 23, strike “CERTIFICATE”.

On page 3, in line 4, strike beginning with “INCURRED” through “CLEARANCE” and substitute “FOR SECURITY CLEARANCE ADMINISTRATIVE EXPENSES AND”

(Over)

CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR RENOVATE A SENSITIVE COMPARTMENTED INFORMATION FACILITY”.

AMENDMENT NO. 3

On page 3, after line 7, insert:

“(2) “COSTS” MEANS THE COSTS TO AN INDIVIDUAL OR CORPORATION FOR:

(I) SECURITY CLEARANCE ADMINISTRATIVE EXPENSES INCLUDING, BUT NOT LIMITED TO:

1. PROCESSING APPLICATION REQUESTS FOR CLEARANCES;

2. MAINTAINING, UPGRADING, OR INSTALLING COMPUTER SYSTEMS REQUIRED TO OBTAIN FEDERAL SECURITY CLEARANCES; AND

3. TRAINING EMPLOYEES TO ADMINISTER THE APPLICATION PROCESS; AND

(II) CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR RENOVATE A SENSITIVE COMPARTMENTED INFORMATION FACILITY (“SCIF”) AS REQUIRED BY THE FEDERAL GOVERNMENT.”;

in line 8, strike “(2)” and substitute “(3)”; strike in their entirety lines 10 through 12, inclusive; and strike in their entirety lines 15 through 31, inclusive, and substitute:

“(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2012, BUT BEFORE JANUARY 1, 2019, AN INDIVIDUAL OR A CORPORATION MAY CLAIM CREDITS AGAINST THE STATE INCOME TAX FOR:

(1) SECURITY CLEARANCE ADMINISTRATIVE EXPENSES, NOT TO EXCEED \$100,000; AND

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR RENOVATE A SINGLE SCIF IN AN AMOUNT EQUAL TO THE LESSER OF 50% OF THE COSTS OR \$100,000.

(II) THE TOTAL AMOUNT OF CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR RENOVATE MULTIPLE SCIFs FOR WHICH AN INDIVIDUAL OR A CORPORATION IS ELIGIBLE TO CLAIM AS A CREDIT AGAINST THE STATE INCOME TAX IS \$250,000.

(C) (1) BY SEPTEMBER 15 OF THE CALENDAR YEAR FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE COSTS WERE INCURRED, AN INDIVIDUAL OR A CORPORATION SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT FOR THE CREDITS ALLOWED UNDER SUBSECTION (B)(1) AND (2) OF THIS SECTION.

(2) (I) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED \$2,000,000 FOR ANY CALENDAR YEAR.

(Over)

(II) IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL INDIVIDUALS AND CORPORATIONS UNDER SUBSECTION (B) OF THIS SECTION EXCEEDS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT SHALL APPROVE A CREDIT UNDER SUBSECTION (B) OF THIS SECTION FOR EACH APPLICANT IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE APPLICANT TIMES A FRACTION:

1. THE NUMERATOR OF WHICH IS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND

2. THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL CREDITS APPLIED FOR BY ALL APPLICANTS UNDER SUBSECTION (B) OF THIS SECTION IN THE CALENDAR YEAR.

(3) BY DECEMBER 15 OF THE CALENDAR YEAR FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE COSTS WERE INCURRED, THE DEPARTMENT SHALL CERTIFY TO THE INDIVIDUAL OR CORPORATION THE AMOUNT OF TAX CREDITS APPROVED BY THE DEPARTMENT FOR THE INDIVIDUAL OR CORPORATION UNDER THIS SECTION.

(4) TO CLAIM THE APPROVED CREDITS ALLOWED UNDER THIS SECTION, AN INDIVIDUAL OR A CORPORATION SHALL:

(I) FILE AN AMENDED INCOME TAX RETURN FOR THE TAXABLE YEAR IN WHICH THE COSTS WERE INCURRED; AND

(II) ATTACH A COPY OF THE DEPARTMENT'S
CERTIFICATION OF THE APPROVED CREDIT AMOUNT TO THE AMENDED INCOME
TAX RETURN.

On page 4, strike in their entirety lines 1 and 2, inclusive; in line 3, strike “(C)” and substitute “(D)”; strike beginning with “(1)” in line 3 down through “(2)” in line 7; and strike in their entirety lines 12 through 33, inclusive.

On page 5, strike in their entirety lines 1 through 13, inclusive; in lines 14 and 17, strike “(F)” and “(G)” respectively, and substitute “(E)” and “(F)” respectively; in line 16, strike beginning with “AND” through “CREDIT”; in line 20, strike beginning with “CREDIT” through “ISSUED” and substitute “CREDITS CERTIFIED”; in the same line, strike “FISCAL” and substitute “CALENDAR”; and in line 23, after “2011.” insert “Section 10-731 of the Tax – General Article, as enacted by this Act, shall remain effective for a period of 4 years and, at the end of June 30, 2016, with no further action required by the General Assembly, it shall be abrogated and of no further force and effect. The Secretary of Business and Economic Development may not issue credit certificates under § 10-731 of the Tax – General Article, as enacted by this Act, for any fiscal year beginning on or after July 1, 2016.”.