

SENATE BILL 664

Q3

2lr2602
CF 2lr2600

By: **Senators Corderman, Carozza, Eckardt, Edwards, Griffith, Hershey, Jackson, Klausmeier, Simonaire, and Watson**

Introduced and read first time: February 4, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Film Production Activity Tax Credit – Filming Locations**

3 FOR the purpose of requiring the Secretary of Commerce to make available, for film
4 production activities in certain counties, a certain percentage of the total amount of
5 tax credits that the Secretary may approve in a fiscal year; and generally relating to
6 the film production activity tax credit.

7 BY repealing and reenacting, with amendments,

8 Article – Tax – General

9 Section 10–730(f)

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2021 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Tax – General**

15 10–730.

16 (f) (1) Except as provided in paragraph (2) of this subsection, the Secretary
17 may not issue tax credit certificates for credit amounts in the aggregate totaling more than:

18 (i) for fiscal year 2014, \$25,000,000;

19 (ii) for fiscal year 2015, \$7,500,000;

20 (iii) for fiscal year 2016, \$7,500,000;

21 (iv) for fiscal year 2019, \$8,000,000;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(v) for fiscal year 2020, \$11,000,000; and

(vi) for fiscal year 2021 and each fiscal year thereafter, \$12,000,000.

(2) If the aggregate credit amounts under the tax credit certificates issued by the Secretary total less than the maximum provided under paragraph (1) of this subsection in any fiscal year, any excess amount may be carried forward and issued under tax credit certificates in a subsequent fiscal year.

(3) The Secretary may not issue tax credit certificates for credit amounts totaling more than \$10,000,000 in the aggregate for a single film production activity.

(4) (i) For fiscal year 2019 and each fiscal year thereafter, the Secretary shall make 10% of the credit amount authorized under paragraph (1) of this subsection available for Maryland small or independent film entities.

(ii) **FOR FISCAL YEAR 2023 AND EACH FISCAL YEAR THEREAFTER, IN ADDITION TO THE AMOUNT SET ASIDE FOR MARYLAND SMALL OR INDEPENDENT FILM ENTITIES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE SECRETARY SHALL MAKE 20% OF THE CREDIT AMOUNT AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION AVAILABLE FOR FILM PRODUCTION ACTIVITIES IN ANY OF THE FOLLOWING COUNTIES:**

- 1. ALLEGANY COUNTY;**
- 2. CAROLINE COUNTY;**
- 3. DORCHESTER COUNTY;**
- 4. GARRETT COUNTY;**
- 5. KENT COUNTY;**
- 6. PRINCE GEORGE'S COUNTY;**
- 7. SOMERSET COUNTY;**
- 8. WASHINGTON COUNTY; OR**
- 9. WICOMICO COUNTY.**

(iii) [If the total amount of credits applied for by Maryland small or independent film entities is less than the amount made available under subparagraph (i)

1 of this paragraph, the] **THE** Secretary shall make available the unused amount of credits
2 **UNDER THIS PARAGRAPH** for use by qualified film production entities **IF:**

3 **1. THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY**
4 **MARYLAND SMALL OR INDEPENDENT FILM ENTITIES IS LESS THAN THE AMOUNT**
5 **MADE AVAILABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; OR**

6 **2. THE TOTAL AMOUNT OF CREDITS APPLIED FOR WITH**
7 **RESPECT TO FILM PRODUCTION ACTIVITIES IN THE COUNTIES IDENTIFIED IN**
8 **SUBPARAGRAPH (II) OF THIS PARAGRAPH IS LESS THAN THE AMOUNT MADE**
9 **AVAILABLE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.**

10 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect July
11 **1, 2022.**