

DIVISION OF FINANCE  
MORE JOBS FOR MARYLANDERS PROGRAM

ANNUAL STATUS REPORT  
FISCAL YEAR 2022  
ECONOMIC DEVELOPMENT ARTICLE

SECTION 6-809

Submitted by:

Maryland Department of Commerce

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# STATUS REPORT MORE JOBS FOR MARYLANDERS FISCAL YEAR 2022

## PROGRAM OVERVIEW

Chapter 149, Acts of 2017, established the More Jobs for Marylanders Program (Program) within the Department of Commerce (Commerce) to incentivize and encourage manufacturers to create jobs in areas of Maryland that need jobs the most. The incentives are available for a 10-year period for eligible new and existing manufacturers in “Tier 1” or “Tier 2” areas in Maryland that are enrolled in the Program before June 1, 2022, create the minimum required jobs, offer ongoing job training and meet other Program requirements. Chapter 211, Acts of 2019 expanded the program to allow non-manufacturers that locate or expand in a Maryland Opportunity Zone to also qualify. Chapter 136 of 2022 heightened eligibility requirements and limited benefits available to manufacturing and non-manufacturing businesses enrolled on or after June 1, 2022. This included raising the minimum wage requirement; eliminating real property tax credit, sales and use tax refund and filing fee waiver; reducing the number of benefit years for projects in Tier 2 areas from 10 years to 5 years, and decreasing the income tax credit percentage from 5.75% to 4.75% of the aggregate wages of the qualified positions.

## BENEFIT

### Benefits for businesses enrolled before June 1, 2022:

The program provides incentives tied to job creation for a 10-year period.

1. New businesses in Tier 1 jurisdictions receive a refundable State income tax credit (5.75% of the wage per new position); State Property Tax Credit (\$0.112 per \$100 assessed); refund of Sales and Use Tax; and waiver of SDAT fees for the creation of 5 or more new jobs.
2. Existing businesses in Tier 1 and Tier 2 jurisdictions receive a refundable State income tax credit of 5.75% of the wage per new position, for the creation of 5 new jobs and 10 new jobs, respectively.

### Benefits for businesses enrolled on or after June 1, 2022:

1. Businesses in Tier 1 jurisdictions receive a refundable State income tax credit of 4.75% of the wage per new position for a 10-year consecutive benefit period.
2. Businesses in Tier 2 jurisdictions receive a refundable State income tax credit of 4.75% of the wage per new position for a 5-year consecutive benefit period.

Tier 1 Areas include: Baltimore City, Allegany, Baltimore, Caroline, Cecil, Dorchester, Garrett, Kent, Prince George’s, Somerset, Washington, Wicomico and Worcester Counties. Tier 1 Areas also include Opportunity Zones located in any Maryland county. Tier 2 Areas are any areas which are **not** Tier 1 Areas.

## QUALIFICATIONS

### Qualifications for businesses enrolled before June 1, 2022:

To qualify a **manufacturing** business must:

- Be a manufacturer primarily engaged in activities at the facility that according to the North American Industrial Classification System, would be included in Sector 31, 32, or 33, except for Refiners.
- Offer ongoing job training or a post-secondary education program (e.g. tuition reimbursement).
- Provide Notice of Intent (NOI) to enroll in the program.
- New or existing manufacturers in Tier 1 Areas must create at least **5** new Qualified Positions.
- Existing manufacturers in Tier 2 Areas must create at least **10** new qualified jobs.
- A Qualified Position is a job that is full-time, pays at least 120% of State minimum wage, and is filled for 12 months before they qualify for credits.
- Begin hiring within 12 months of the Notice of Intent to Commerce. Once a business begins hiring, it must add 5 new qualified positions (Tier 1 Areas) or 10 new qualified positions (Tier 2 Areas) within 12 months after the date of its first new hire.
- Existing manufacturers that move their facility from one Maryland County to another after June 1, 2017 will **not** be eligible to participate.
- Be certified by Commerce as a qualified business entity.

To qualify, a **non-manufacturing** business must:

- Be located in an Opportunity Zone
- Provide Notice of Intent (NOI) to Commerce before it begins hiring.
- Create at least 5 Qualified Positions.
  - A Qualified Position is a job that is full-time, pays at least \$50,000 per year, and is filled for 12 months before they qualify for credits.
- Offer ongoing job training or provide a post-secondary education program.
- Begin hiring within 12 months of its Notice of Intent to Commerce. Once a business begins hiring, it must add 5 new qualified positions within 12 months after the date of its first new hire.
- Existing businesses that move their facility from one Maryland County to another after June 1, 2017 will **not** be eligible to participate.
- Be certified by Commerce as a qualified business entity.
- Non-manufacturing businesses do **NOT include businesses that:** (i) provide adult entertainment, (ii) are primarily engaged in retail activities (except Grocery Stores), (iii) are primarily engaged in the sale or distribution of alcoholic beverages, or (iv) are one of the following types of entities: a private or commercial golf course or country club, a tanning salon or a bail bondsman.

### Qualifications for businesses enrolled on or after June 1, 2022:

To qualify, a **manufacturing** business must:

- Be a manufacturer primarily engaged in activities at the facility that according to the North American Industrial Classification System, would be included in Sector 31, 32, or 33, except for Refiners.

- Offer ongoing job training or a postsecondary education program (e.g. tuition reimbursement).
- A manufacturer must notify Commerce of its intent to be designated eligible for the program incentives before it creates new jobs.
- Manufacturers in Tier 1 counties must create at least 10 new qualified jobs. (A qualified job is a job that is full-time, pays at least 150% of State minimum wage and is filled for 12 months.)
- Manufacturers in Tier 2 counties must create at least 20 new qualified jobs. (A qualified job is a job that is full-time, pays at least 150% of State minimum wage and is filled for 12 months.)
- The manufacturer must begin hiring within 12 months of its NOI date to Commerce and meet the 10 or 20 job minimum within 12 months of its first hire.
- Enroll its project in the program before June 1, 2024.

To qualify a **non-manufacturing business** must:

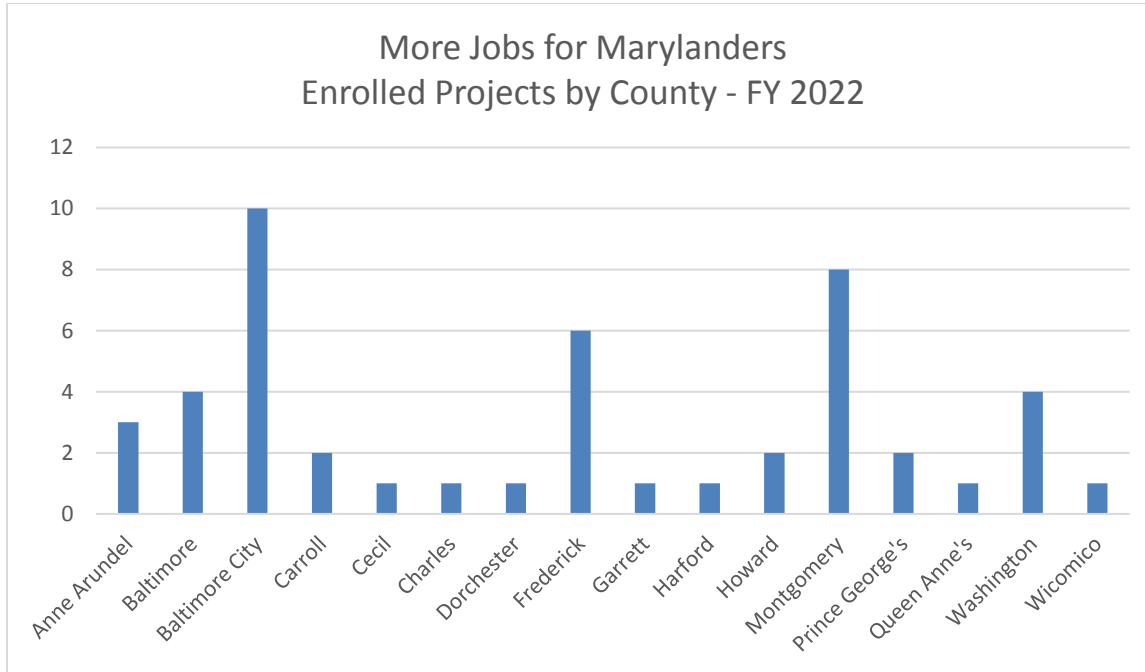
- Be located in an Opportunity Zone.
- Provide a Notice of Intent to Commerce before hiring.
- Create at least 10 new qualified jobs. (A qualified job is a job that is full-time, pays at least \$50,000 per year, and is filled for 12 months before they qualify for credits.)
- Offer ongoing job training or provide a post-secondary education program
- Begin hiring within 12 months of its Notice of Intent to Commerce. Once a business begins hiring, it must add 5 new qualified jobs within 12 months after the date of its first new hire.
- Existing businesses that move their facility from one Maryland County to another after June 1, 2017 will not be eligible to participate.
- Be certified by Commerce as a qualified business entity.
- Non-manufacturing businesses do NOT include businesses that: (i) provide adult entertainment, (ii) are primarily engaged in retail activities (except Grocery Stores), (iii) are primarily engaged in the sale or distribution of alcoholic beverages, or (iv) are one of the following types of entities: a private or commercial golf course or country club, a tanning salon, or a bail bondsman.
- Enroll its project in the program before June 1, 2024.

## **PROGRAM ACTIVITY**

The More Jobs for Marylanders statute requires Commerce report on the Qualified Business Entities that received Final Certification in the preceding fiscal year. During Fiscal Year 2022, Commerce issued 45 Final Certificates for 33 projects, representing 1,514 new jobs with an annual aggregate wage of \$138,070,829. Commerce anticipates that additional businesses that have received an Initial Income Tax Credit Certification will submit their Final Application at the end of the calendar year when all positions will be in place for 12 months in order to claim the credits on their 2022 tax return.

Through the sunset of the original program on May 31, 2022, Commerce received NOIs from companies representing 361 projects interested in applying for the More Jobs for Marylanders tax credits. Commerce enrolled 48 projects during FY 2022. Thirty-nine projects represent

manufacturers, and 9 projects represents a non-manufacturer expanding in an Opportunity Zone. Of the 48 approved projects, 27 are located in Tier 1 Counties and 21 in Tier 2 Counties. All but 9 are existing businesses. Enrolled projects are distributed across the State of Maryland in 16 counties.



Once a project is enrolled in the program, the business is certified as a Qualified Business Entity and may apply for the credits. The next step in the process is to apply for an Initial Income Tax Credit for the business's first benefit year. Commerce issued 26 Initial Income Tax Credit certificates during FY 2022. Commerce reserved \$18,593,026 of credits in FY 2022, including \$3,982,103 for businesses in their first benefit year; \$4,670,417 for the second benefit year; \$9,862,881 for the third benefit year; and \$77,625 for the fourth benefit year.

**Appendix: More Jobs for Marylanders Incentive Program, Final Income Tax Credits Certified for FY 2022**

	<b>Business Name</b>	<b>County of Facility</b>	<b>Jobs Certified</b>	<b>Certified Final Credit Amount</b>
1	Alliant Techsystems Operations LLC <sup>1</sup>	Cecil	45	200,439
2	Catalent Maryland, Inc.	Baltimore City	65	432,149
3	Catalent Maryland, Inc.	Anne Arundel	10	150,832
4	Evapco, Inc.	Carroll	46	103,305
5	Fabricated Extrusion Company of Maryland, LLC <sup>2</sup>	Washington	19	55,880
6	Gotham Greens Baltimore LLC	Baltimore	31	63,293
7	IKO Northeast Inc.	Washington	8	38,192
8	Kensington Glass Arts, Inc.	Frederick	32	99,287
9	Kensington Glass Arts, Inc. <sup>1</sup>	Frederick	32	111,675
10	Kite Pharma, Inc. <sup>1</sup>	Montgomery	53	438,613
11	Kite Pharma, Inc.	Frederick	52	486,086
12	Marlin Steel Wire Products LLC <sup>1</sup>	Baltimore City	13	60,284
13	Michele's Granola LLC	Baltimore	9	13,131
14	Northrop Grumman Systems Corporation <sup>1</sup>	Anne Arundel	808	3,796,461
15	The Sherwin-Williams Company	Somerset	16	28,847
16	Whisked, Inc.	Prince George's	11	26,535
	<b>Total Amount Certified</b>			<b>6,105,009</b>

<sup>1</sup>Reflects Final Certificates issued for Benefit Year 2.

<sup>2</sup>Reflect Final Certificates issued for Benefit Year 3.