

**Application for Maryland State Enterprise Zone Certification in
Salisbury-Wicomico County, Maryland**

This application will determine whether your business, property, or developer is eligible for Maryland Enterprise Zone tax credits. If determined to be eligible, you will receive a letter from the Enterprise Zone Administrator indicating which tax credit(s) you are eligible to receive.

Applying For:

Income Tax Credit _____

Real Property Tax Credit _____

Personal Property Tax Credit (Applies only to Focus Area Zones) _____

This Section is to be filled by Local Zone Administrators Only

The Real Property Credit

A ten-year credit against local property taxes is available to companies that locate, expand, or substantially improve business properties in the Enterprise Zone. The property tax credit is equal to 80% of the difference between the base value of the property (the assessment in the year prior to new construction, expansion, or substantial improvement) and the newly assessed value of the property after the investment is made. The property tax credit is 80% for five years. During the last five years, the property tax credit declines 10% annually; the credit is 70%, 60%, 50%, 40%, and 30% respectively. This tax credit is administered to the real property owner in their Property Taxes.

Necessary Qualifications

- Applicant must plan to make a capital investment in its property of \$50,000 or more
- Applicant should be mindful of having a base assessment done before commencing work
- Applicant should apply after receiving all required building permits and before or at the beginning of construction.
- Only commercial properties may apply, any portion of the property devoted to residential use may not receive the credit
- In order to receive a property tax credit for the next taxable year (beginning on July 1 when the tax bill is issued), the local Zone Administrator must certify to the Department of Assessments and Taxation the eligibility of a particular business by no later than the end of the preceding calendar year on December 31st.
- The granting of an Enterprise Zone property tax credit is affected by the timing of the completion of capital improvements, the assessment cycle, and how the improvements are assessed. (I.E. the improvement must change the value of the real property)
- The law states that the credit shall be granted to the “owner” of a qualified property. In cases where a lessee make the capital improvements, the lessees should make a contractual provisions with the owner of the qualified property regarding receipt of the property tax credit.

The State Income Credit

This credit is applied to your state income taxes, and its value is based on the number and type of new employees hired by the business. To receive the credit the business must meet the following:

- Must have hired two or more employees that meet necessary qualifications
- Must have been hired after the date on which the Enterprise Zone was designated or the date on which the business relocated in the Enterprise Zone, whichever is later.
- Must be filling a new position or replacing an employee who was previously certified as economically disadvantaged
- Must have been employed at least 35 hours a week for at least six months
- Must be paid at least 150% of the federal minimum wage throughout his or her employment by a business entity before or during the taxable year for which the entity claims a credit
- Must have spent at least half of his or her working hours in the Enterprise Zone or on activities directly resulting from the business location in the zone
- Must be a new employee or an employee rehired after being laid off by the business for more than one year

There are two types of income tax credits. If the employee is not economically disadvantaged, you may qualify for a one-time credit of \$1,000 per employee. If the employee is economically disadvantaged (as determined by the Maryland Jobs Service), you may take a credit up to \$3,000 of the employee's wages in the first year of employment. The credit is \$2,000 in the second year, and \$1,000 in the third. Once/if you have been certified, you can claim these credits upon filing a Tax Return.

- To be eligible, an applicant must answer all questions in Sections A and B
- If applying for the "Property" tax credit, please complete Section C
- If applying for the "Employment (income)" tax credit, please complete Section D
- If the account is located in Focus Area and you are applying for the "Personal Property" tax credit, please complete Section E

Section A: Applicant Information

Name of Business / Developer applying for Enterprise Zone credits:

Name of Contact Person: _____

Title: _____

Phone: _____

Email: _____

Mailing Address: _____

Section B: Enterprise Zone Property Information

Enterprise Zone Property Address: _____

Property Tax Account Number: _____

Property Ownership: _____

Lease: ____ Own: _____

Section C: Enterprise Zone Property Improvements Information

To be eligible for Enterprise Zone property tax credits, the application must be submitted prior to the project completion date and issuance of User/Occupancy Permits. If the developer or company making property improvements is applying on behalf of the property owner, the property owner must concur with the application by co-signing below. The property tax credits are automatically applied to the property tax bill (i.e., directly awarded to the property owner only). If you are not applying for the property tax credit, this section may be left blank.

Owner of the Real Property: _____

Mailing address of property owner: _____

Phone: _____

Email Address: _____

Project Start Date: _____

Anticipated Project Completion Date: _____

Briefly describe capital improvements plans: _____

Type of Construction and Costs

Cost of building(s) & land (acquisition): \$ _____

New Construction: \$ _____

Rehabilitation: \$ _____

Cost of new machinery & equipment*: \$ _____

I agree as a condition of certification to provide all data required by the Enterprise Zone Administrator as requested.

Name of Applicant: _____ Position/Title: _____

Applicant Signature: _____ Date: _____

Name of Property Owner: _____ Position/Title: _____

Property Owner Signature: _____ Date: _____

*Cost of new machinery & equipment is not a part of real property assessment.

Section D: Enterprise Zone Employment Tax Credit Information

To be eligible of Enterprise Zone employment tax credits, please complete the following section. Employment tax credits to be applied against State income tax liabilities are available for certain new employees hired in the Enterprise Zone. The requirements for qualified employees can be found on Maryland Department of Commerce Website: <http://commerce.maryland.gov/fund/programs-for-businesses/enterprise-zone-tax-credit>. If you are not applying for the employment tax credit, this section may be left blank.

Federal Employer Identification Number (EFIN): _____

Unemployment Insurance #: _____ NAICS Code (if available): _____

Type of Business (i.e., restaurant, retail, financial services, etc.): _____

Is business located in the Enterprise Zone now? Yes ___ No ___

If yes, since what year: _____

Is the business relocation from another place? Yes ___ No ___

If yes, where was the previous location?: _____

Is the business a new, start-up? Yes ___ No ___

Did the Enterprise Zone benefits affect your decision to locate at this address? Yes ___ No ___

If yes, please explain how the Enterprise Zone benefits will assist your business. :

Number of existing employees: _____

If you are new to the Enterprise Zone, please provide the number of employees before relocating or locating in the Enterprise Zone: _____

If you were already located in the Enterprise Zone, please provide the number of employees as of date of this application in the Enterprise Zone: _____

Number of new full-time jobs to be created in the Enterprise Zone in the next 12 months: _____

Number of new part-time jobs to be created in the Enterprise Zone in the next 12 months: _____

I agree as a condition of certification to provide all data required by the Enterprise Zone Administrator as requested.

Name of Applicant: _____ Position/Title: _____

Signature: _____ Date: _____