

HOUSE BILL 432

Q3

2lr2061

By: **Delegate Wells**

Introduced and read first time: January 20, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Film Production Activity Tax Credit – Alterations**

3 FOR the purpose of altering the aggregate amount of film production activity tax credit
4 certificates that the Secretary of Commerce may issue each fiscal year; and generally
5 relating to the film production activity tax credit.

6 BY repealing and reenacting, without amendments,
7 Article – Tax – General
8 Section 10–730(a)(1), (3), and (6) and (b)
9 Annotated Code of Maryland
10 (2016 Replacement Volume and 2021 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Tax – General
13 Section 10–730(f)
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2021 Supplement)

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

18 **Article – Tax – General**

19 10–730.

20 (a) (1) In this section the following words have the meanings indicated.

21 (3) (i) “Film production activity” means:

22 1. the production of a film or video project that is intended
23 for nationwide commercial distribution; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 income tax for film production activities in the State in an amount equal to the amount
2 stated in the final tax credit certificate approved by the Secretary for film production
3 activities.

4 (2) If the tax credit allowed under this section in any taxable year exceeds
5 the total tax otherwise payable by the qualified film production entity for that taxable year,
6 the qualified film production entity may claim a refund in the amount of the excess.

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

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

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

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

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

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

14 (vi) for EACH OF fiscal [year] YEARS 2021 and [each fiscal year
15 thereafter] **2022**, \$12,000,000;

16 **(VII) FOR FISCAL YEAR 2023, \$25,000,000; AND**

17 **(VIII) FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR**
18 **THEREAFTER, \$50,000,000.**

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

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

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

28 (ii) If the total amount of credits applied for by Maryland small or
29 independent film entities is less than the amount made available under subparagraph (i)
30 of this paragraph, the Secretary shall make available the unused amount of credits for use
31 by qualified film production entities.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.