



FISCAL YEAR 2019

Consolidated Incentives Performance Report

**As required by the Maryland Jobs Development Act
Economic Development Article § 2.5-109**

Pursuant to: Economic Development § 2-123

Economic Development § 3-404(e)

Economic Development § 5-315

Economic Development § 5-419

Economic Development § 5-512(c)(4)

Economic Development § 5-555(h)

Economic Development § 6-307

State Finance and Procurement § 7-314

Tax General § 10-721(g)(1)

Tax General § 10-725(h)(1)

Tax General § 10-730(e)

Tax General § 10-732(f)

Tax General §10-733

Respectfully submitted to the General Assembly of Maryland by

Kelly M. Schulz, Secretary
Maryland Department of Commerce
401 East Pratt Street
Baltimore, MD 21202
May 2020



Larry Hogan, Governor | Boyd Rutherford, Lt. Governor

OPEN *for* Business

Contents

Background.....	1
Data by Program and by Recipient.....	2
Evaluating Program Effectiveness.....	2
Limitations of the Evaluation.....	3
Program Evaluation	3
Program Impacts.....	7
Detailed Impact by Program and Purpose.....	7
1. Job Creation and Retention	9
Economic Development Opportunities Program Fund (Sunny Day)	9
One Maryland Tax Credit (OneMD)	10
Job Creation Tax Credit (JCTC).....	10
Partnership for Workforce Quality (PWQ)	11
Hire Our Veterans Tax Credit (HOVTC).....	12
Aerospace, Electronics, or Defense Contract Tax Credit (AEDTC)	12
MEDAAF Capability 1 - Significant Strategic Economic Development Opportunities.....	13
MEDAAF Capability 2 - Local Economic Development Opportunities	14
2. Local Government Support for Economic Development	15
MEDAAF Capability 3 - Direct Assistance to Local Jurisdictions or MEDCO	15
MEDAAF Capability 4 - Regional or Local Revolving Loan Funds	15
3. Leveraging Private Investment.....	16
Maryland Industrial Financing Authority (MIDFA).....	16
4. Assistance to Small and Minority Businesses	16
Maryland Economic Adjustment Fund	17
Military Personnel and Veteran-Owned Small Business No-Interest Loan Program.....	17
Maryland Small Business Development Financing Authority (MSBDFA)	18
Small, Minority, and Women-Owned Businesses Account - Video Lottery Terminal Fund.....	19
5. Promoting Technology Startups and Innovation	20
Biotechnology Investment Incentive Tax Credit (BIITC)	20
Cybersecurity Investment Incentive Tax Credit (CIITC).....	21
Research and Development (R&D) Tax Credit.....	22

Maryland E-Innovation Initiative.....	23
6. Economic Diversification Through Targeted Industry Support.....	23
Employer Security Clearance Costs Tax Credit	24
Buy Maryland Cybersecurity Tax Credit	25
Maryland Film Production Activity Tax Credit	25
Wineries and Vineyards Tax Credit.....	26
7. Special Purpose	27
MEDAAF Capability 5 - Special Purpose Grants and Loans	27
Maryland Nonprofit Development Center Program and Fund - Nonprofit, Interest-Free, Micro Bridge Loan Account (NIMBL)	27
State Return on Investment for Commerce Incentives.....	Error! Bookmark not defined.
Program Compliance.....	28

List of Tables

Table 1: Program Activity by Type.....	Error! Bookmark not defined.
Table 2: Performance Outputs by Program	5
Table 3: Program Performance by Industry	6
Table 4: Summary of Impacts	8
Table 5: Return on Investment by program	Error! Bookmark not defined.

List of Appendices

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report
Appendix B: Biotechnology Investment Incentive Tax Credit QMBCs
Appendix C: Research and Development Tax Credits Certified
Appendix D: Employer Security Clearance Costs Tax Credit recipients
Appendix E: Wineries & Vineyards Tax Credit recipients
Appendix F: Recipients of Multiple Incentives
Appendix G: Compliance Triggers and Remedial Action

Background

The Maryland Department of Commerce (Department) is pleased to submit the FY 2019 Consolidated Incentives Report as required by the Maryland Jobs Development Act pursuant to Economic Development Article §2.5-109.

The Maryland Jobs Development Act requires the Department to report data on certain finance programs and tax incentive programs administered by the Department by December 31st of each year. Specifically, the report covers the following finance programs: Maryland Economic Development Assistance Authority Fund (MEDAAF), Maryland Industrial Financing Authority (MIDFA), Military Personnel and Veteran-owned Small Business No-Interest Loan Program (Military/Veteran), Maryland Small Business Development Financing Authority (MSBDFA), Partnership for Workforce Quality (PWQ), Economic Development Opportunities Program Fund (Sunny Day), and Small, Minority, and Women-Owned Businesses Account-Video Lottery Terminal Fund (VLT). The report also covers the following tax incentive programs: One Maryland Tax Credit (OneMD), Job Creation Tax Credit (JCTC), Research and Development (R&D), Maryland Film Production Activity (Film), and the Biotechnology Investment Incentive (BIITC). Other programs not covered by the Jobs Development Act but included in this report are Cybersecurity Investor Incentive Tax Credit (CIITC), Employer Security Clearance Costs Tax Credit, Wineries and Vineyards Tax Credit, E-Innovation Initiative Program, Aerospace, Electronics and Defense Tax Credit, Nonprofit, Interest-Free, Micro Bridge Loan Account (NIMBL), and Hire Our Veterans Tax Credit. The Enterprise Zone Tax Credit Program and the Small Business Relief Tax Credit Program submit separate reports on activities.¹

The report reviews each program on how well it is meeting its objectives and the overall objectives of the Department of Commerce. Economic Development Article §2.5-109 requires that, where appropriate, Commerce will report data on the number of jobs created, the number of jobs retained; the estimated amount of State revenue generated; and any additional information required by the Department through regulations both in the aggregate and disaggregate by each program and each recipient. Additionally, the Department must implement a process to assist recipients of such program(s) to ensure compliance with program requirements. The report is produced by the Department's Office of Research based on the Department's Finance Tracker data and program reports for **settled** projects receiving incentives in FY 2019.

Objectives of the Department of Commerce

According to Economic Development Article §2.5-105, the Department of Commerce has multiple responsibilities toward Maryland businesses. The article states that “[t]o attract and encourage business development and serve the needs of business, the Department shall:

- (1) advance the economic welfare of the public through programs and activities that develop in a proper manner the natural resources and economic opportunities of the State;

¹ The Enterprise Zone program is a joint effort between the State and local governments and Commerce does not certify businesses for the credits.

- (2) promote and encourage the location and creation of new industries and businesses in the State and encourage the retention and expansion of existing industries;
- (3) support the creation of new businesses and the growth of existing businesses in the State by improving their quality, productivity, and competitive position in the global marketplace;
- (4) assist the growth and revitalization of small businesses;
- (5) support the growth of the State and regional economies by providing consulting, technical assistance, and liaison activities on business and economic development issues;
- (6) promote the development of international trade activities;
- (7) assist businesses and employees through training and other employment services;
- (8) promote regulatory reform and coordinate efforts with other State and local units; and
- (9) foster and develop employment opportunities for residents of the State.

Each program listed below is evaluated according to how well it accomplishes these nine objectives.

Data by Program and by Recipient

The detailed information has been compiled in the Department's Finance Tracker. Finance Tracker is the Department's on-line database for maintaining records of grants, tax credits, equity investments and loan enhancements. Finance Tracker includes information on incentives provided to companies for FY 2009-2019. Users can search and sort data by company, industry, location and program. Please visit <http://commerce.maryland.gov/fund/maryland-finance-tracker> to view this information and the summary in Appendix A.

The largest number of transactions was the Research and Development Tax Credit, with 356 recipients of \$12 million in tax credits. There were 57 recipients of Video Lottery Terminal Fund financing totaling \$9.7 million. The Department's major finance program, the Maryland Economic Development Assistance Authority Fund (MEDAAF) had 11 transactions totaling \$10.1 million. Fourteen companies received Job Creation Tax Credits (JCTC) and two received One Maryland Tax Credits (OneMD). There were 23 companies receiving investment through the Biotechnology Investment Incentive Tax Credit (BIITC). Film Production Activity Tax Credits of \$7.2 million supported one major television production in Maryland.

Twenty-four companies received incentives from multiple programs. The list is presented in Appendix F. In one case, the jobs reported apply to more than one program. In cases where job impacts are reported for multiple programs the estimated job impacts are allocated to only one program to avoid double counting impacts.

Evaluating Program Effectiveness

Program evaluation is one of the most vital steps in the economic development process. But it is also one of the most difficult because of the need for better indicators to measure outcomes. While jobs, wages and investment are the main metrics for many incentive programs, they are not necessarily the most appropriate for others. Community development, workforce and innovation/entrepreneurship programs require different measures to determine effectiveness. The Center for Regional Economic Competitiveness recommends performance indicators that

address jobs quality and business dynamics, such as wage levels and benefits, and indicators related to innovation, productivity or global business activity.²

Limitations of the Evaluation

- *Indicators not aligned with program goals.* Jobs and investment may not be appropriate indicators for all types of incentive programs given their various objectives and the business needs they are intended to address. Ideally, economic development programs should be evaluated according to their stated intent and expected outcomes. In the absence of clearly stated goals, evaluations default to the least common denominator metrics of jobs and investment even if these indicators are not particularly relevant.
- *Time-frame for evaluation.* Most economic development programs are designed to have long-term impacts, requiring that companies maintain employment to receive incentives. A one-year snapshot of activity does not take into account those ongoing impacts and the revenues generated.
- *Comparability of programs.* Using jobs as a common metric invites comparison among programs that may not be valid. A program that creates fewer jobs may not be less effective if the intent of the program is to encourage start-up activity in an emerging industry sector or in a distressed area.
- *Data quality.* Collecting data from incentive recipients requires a difficult balance between requiring more company-provided data and reducing the administrative burden for companies. Company-reported data also requires security measures that are adequate to protect confidential data and adequate staff resources to collect and process the data.
- *Estimating revenues.* Fiscal impact analysis tools are estimates of possible revenues based on employment and wages. Estimating revenue impacts of capital expenditures requires a case by case analysis. Further, it is not possible to include possible revenues from corporate taxes as those vary considerably based on individual circumstance.
- *Intangible impacts.* Other benefits such as promoting an industry or a region are difficult to quantify.

A more rigorous evaluation would attempt to evaluate the incentives according to their stated legislative intent. Using jobs, wages and investment provides one common metric for comparison of programs. Connecting the outcomes of each program to the Department's legislative objectives as set forth in Economic Development Article §2.5–105 is another.

Program Evaluation

This section provides an analysis of the available performance information and explanation of the evaluation results. The information is provided by the program administrators from performance agreements and applications submitted at the time of the transaction. The Commerce evaluation uses jobs, wages and investment as the main metrics to estimate the tax revenues returned to the State from its incentive investments. In some cases, where job creation is not a requirement of the program, the amount of project spending in Maryland is used to

² Redefining Economic Development Performance Indicators for a Field in Transition, Center for Regional Economic Competitiveness, July 2017

estimate the number of full-time equivalent jobs supported by the project. For some programs, metrics used in the Managing for Results (MFR) process are used in the evaluation.

Table 1 summarizes the information by program for the number of clients, incentive amount, and direct jobs created and/or retained and total expenditures associated with the project. Financing programs represent projects with a total of 145 clients and \$46.0 million in settled approved transactions. Tax credits represent 537 clients, with 356 of those in R&D tax credits.

Table 2 summarizes program activity by the industry supported. The mix of industries changes every year based on demand but in general, the majority of assistance goes to the professional and technical services sector and to manufacturing. In FY 2019, manufacturing received the largest dollar amount with 24 percent of total assistance. Professional, scientific, and technical services received 16 percent of assistance. These include many technology companies such as those in research, information technology and cybersecurity, as well as professional services and engineering. Biotechnology and the education sector companies received 13 percent of total assistance. In relation to the industry's share of the State Gross Domestic Product (GDP) and employment, manufacturing received the largest proportion of assistance, followed by education, life sciences, and professional services.

Table 1: Program Activity and Performance Outputs by Program

Program	Recipients	Loan/Grant Amount	Loan Guarantees and bond issuances	Reported New/Retained Jobs	Project Expenditures
E-Innovation Initiative	9	9,500,000			9,500,000
MEDAAF					
MEDAAF-2	10	8,131,667		7,632	485,100,000
MEDAAF-5	1	2,000,000			13,277,000
MIDFA	3	1,900,000	53,559,000	308	53,666,000
Military/Veteran-owned	1	50,000		30	50,000
MSBDFA	23	8,392,919	2,070,955	190	13,553,618
Non-profits	7	175,000			175,000
PWQ	33	1,060,646		2,854	2,059,498
Sunny Day	1	5,000,000		3,250	5,000,000
VLT	57	9,772,139		811	16,718,424
Loan/Grant Total	145	\$45,982,370	\$55,629,955	15,075	\$599,099,540
Tax Credits	Recipients		Certified Tax Credit Amount	Certified Jobs	Project Expenditures
AEDTC	1		7,500,000	10,000	75,011,273
BIITC	23		12,309,027		
BuyMD Cyber	22		226,999		
Cybersecurity	2		430,650		
Employer Security Costs	73		2,000,000		13,744,613
Film	1		7,200,000		76,054,938
HOVTC	2		5,400	3	
JCTC	14		2,549,000	601	
OneMD Tax Credit	2		2,992,103	78	22,947,031
Research & Development	356		12,000,000		
Wineries & Vineyards	41		500,000		1,799,187
Tax Credit Total	537		\$47,713,179	10,682	\$91,273,276
Grand Total	682	\$45,982,370	\$55,629,955	25,757	\$690,372,816

¹MIDFA Amount is the amount of bond issuances or private sector loans; MIDFA does not provide direct funding.

²Amount of OneMD and JCTC tax credits are an estimation based on the allowable project costs, jobs and wages. Actual tax credits amounts are calculated on the recipients' tax returns and are therefore confidential Comptroller office information.

Table 2: Program Performance by Industry

Industry	Recipients	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Total Jobs	Project Expenditures
Agribusiness	42			504,099		2,297,274
Arts, Entertainment, Recreation	11	8,612,000	32,609,000		3,309	54,940,000
Biotechnology	31			12,613,741	74	1,500
Construction	31	938,500	60,000	250,233	95	3,274,389
Education	16	11,535,900	21,221,540	42,710	263	30,541,600
Financial Services	10			322,932		115,861
Health Care Tech & Services	15	2,594,000	162,000		119	3,665,454
Information Technology	50	1,727,269	342,415	9,426,439	2,221	82,538,202
Manufacturing	156	6,770,989		16,305,048	14,595	240,768,590
Other	11	1,315,686	90,000	9,335	162	7,865,218
Professional & Technical services	276	8,734,614	1,145,000	5,416,731	10,304	35,618,181
Retail Trade	11	1,352,000		40,112	50	1,199,637
Transportation	3	305,000			39	
Warehousing/Distribution	19	2,096,414		2,781,798	5,022	227,546,911

Program Impacts

The following analysis uses direct jobs where appropriate to evaluate the total impact of programs. Direct jobs include newly created jobs and jobs retained by the project. In some cases, where job numbers are not a requirement of the program, the amount of project spending in Maryland might be used to estimate the number of full-time equivalent jobs supported by the project. These estimates are based on spending patterns from the IMPLAN economic model for the State³. The total jobs number includes the secondary, or multiplier effects of the jobs (direct, indirect and induced). The estimates of secondary jobs and wages also are based on the IMPLAN economic model for the State.

Based on the total jobs and wages, the annual State tax revenue from those jobs is estimated. For this report, impacts are estimated for a one-year period, providing a snapshot of FY 2019 activity. However, this approach does not take into account the ongoing impacts generated by the incentives. In most cases, the jobs and investment supported by the incentives are required to remain in Maryland over a period of years. Where possible, multi-year impacts are included.

State revenue impacts are estimated based on average State income and sales tax payments by income class for the total jobs generated by the project.⁴ Although other revenues may be generated such as State and local property taxes from property improvements, corporate income taxes and other taxes and fees, these are not included in the revenue estimates. Such impacts may be evaluated by the Department in the case of individual projects, but not in aggregate for the purposes of this report.

Detailed Impact by Program and Purpose

The following section summarizes the job and revenue impacts of each program based on the available information and according to the intent of the program. Job creation is the primary, but not the only, intent of economic development programs. For example, the BIITC was enacted to grow Maryland's biotechnology industry by encouraging investment in early-stage Maryland biotechnology companies. The film production tax credit is intended to promote the film industry in Maryland, and the Research and Development tax credit supports R&D spending in Maryland. Combined, the portfolio of economic development incentives should be measured for overall effectiveness in growing the strategic industries and diversifying the economy to be sustainable for the long term.

The evaluation is organized according to these general economic development objectives:

- Job creation and retention
- Support for Local economic development
- Leveraging private sector investment in economic development
- Assistance to small, disadvantaged and minority businesses and/or underserved areas
- Promoting startups and innovation through technology commercialization and investment
- Economic diversification through targeted growth industry promotion

³ IMPLAN Group LLC, IMPLAN Online System (2016 data), Huntersville, NC 28078, www.implan.com

⁴ Office of the Comptroller, Income Tax Summary Report, Tax Year 2018

https://finances.marylandtaxes.gov/static_files/revenue/incometaxsummary/summary18.pdf

Table 3 summarizes the impact results by program and their primary purpose using the above categories. Overall, the combined programs generate \$13.6 billion in economic output, support 58,790 jobs and total wages of \$3.5 billion at an average annual wage of \$58,877, generating annual State tax revenues of \$210.4 million.

Table 31: Summary of Impacts

Row Labels	Economic Output	Total Jobs (Direct and Secondary)	Average Annual Salary	Annual State Tax Revenues
1. Job creation and retention	\$12,407,032,680	52,198	\$60,540	\$191,662,450
MEDAAF 2 - Economic Development Opportunities	\$2,788,539,140	14,660	\$43,479	\$39,759,780
PWQ	\$823,052,670	3,386	\$54,151	\$10,971,140
Sunny Day	\$654,859,990	4,935	\$32,525	\$9,875,280
Job Creation Tax Credit	\$362,497,960	1,387	\$54,517	\$4,553,620
One Maryland Tax Credit	\$25,946,100	161	\$41,013	\$409,620
HOVTC	\$951,320	6	\$54,568	\$20,420
AEDTC	\$7,751,185,500	27,663	\$75,779	\$126,072,590
2. Leveraging private sector investment	\$48,362,100	465	\$41,428	\$775,630
Maryland Industrial Development Financing Authority	\$48,362,100	465	\$41,428	\$775,630
3. Assistance to small and minority businesses	\$275,712,400	1,836	\$46,457	\$3,914,910
Maryland Small Business Development Financing	\$46,686,230	311	\$36,808	\$919,570
Military Personnel/ Veteran-owned small business	\$9,876,430	61	\$63,813	\$513,490
Video Lottery Terminal Fund	\$219,149,740	1,463	\$47,817	\$2,481,850
4. Startups and Innovation	\$655,604,420	3,098	\$52,461	\$8,111,220
Biotech Investment Incentive Tax Credit	\$58,594,600	211	\$57,426	\$2,376,630
Cybersecurity Investor Incentive Tax Credit	\$1,668,620	11	\$63,135	\$328,810
E-Nnovation	\$16,967,060	129	\$49,490	\$234,680
Research & Development Tax Credit	\$578,374,140	2,747	\$52,176	\$5,171,100
5. Targeted Industry promotion	\$146,733,440	955	\$31,236	\$5,852,260
Film Production Activity Tax Credit	\$115,604,770	816	\$26,479	\$4,529,360
Wineries & Vineyards	\$3,054,110	15	\$23,973	\$839,810
Employer Security Costs Tax Credit	\$27,236,030	118	\$64,608	\$285,990
Buy MD Cyber Tax Credit	\$838,530	5	\$47,932	\$197,100
6. Special Purpose	\$26,339,290	239	\$18,277	\$125,570
MEDAAF 5 – Special purpose grants and loans	\$26,009,800	236	\$18,081	\$119,150
NIMBL	\$329,490	4	\$25,250	\$6,420
Grand Total	\$13,559,784,330	58,790	\$58,877	\$210,442,040

1. Job Creation and Retention

The programs in this section have overarching objectives with job creation serving as the common measure. Most of the Department's programs are evaluated based on job creation, either directly or indirectly. However, there are many ways of achieving job creation either through incentives to individual companies, growing strategic industries or developing new economic activities. The primary way that economic development programs create jobs is to bring new economic activity and spending to a region that would not otherwise occur. Therefore, most economic development programs are targeted to basic industries, those exporting from the region and bringing wealth from outside, with non-basic (or service) industries supporting those basic industries and growing as the new activities develop. Programs may provide incentives based on job creation and/or on investment, which in turn generates jobs through increased economic activity. The core metrics for these programs are new and retained jobs and wages.

Economic Development Opportunities Program Fund (Sunny Day)

The Economic Development Opportunities Program Fund, known as Sunny Day, was enacted in 1988 to enable Maryland to act on extraordinary economic development proposals that required financial assistance beyond the capabilities of other state and local financing programs. Sunny Day funds are loaned, granted or invested to assist in the retention and expansion of existing business, or the establishment and attraction of new business in Maryland. In fiscal year 2019 the second Sunny Day Conditional loan for \$5 million was settled for Marriott International to keep its headquarters in Maryland. Marriott committed to retain at least 3,250 full-time and 250 part-time jobs in Maryland for a minimum of ten years. The Marriott headquarters project includes new construction of a 700,000 square foot corporate headquarters in downtown Bethesda, spurring additional impacts from \$600 million in construction.

Sunny Day FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues	10-Year State Revenues
Direct	3,250	\$97,768,760	\$5,891,380	\$58,913,800
Secondary	1,685	\$62,742,230	\$3,983,910	\$39,839,100
Total	4,935	\$160,511,000	\$9,875,280	\$98,752,800

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As this program is statutorily designed to “maximize extraordinary economic development opportunities,”⁵ supporting the retention of 3,250 full-time and 250 part-time jobs, as well as supporting the construction of a 700,000 square foot, \$600 million headquarters complex, fulfills that goal. In addition, this program fulfills Objective (2) of §2.5–105 by promoting and encouraging the location and creation of new industries and businesses in the State and encouraging the retention and expansion of existing industries.

⁵ § 7-314(b) of the State Finance and Procurement Article

One Maryland Tax Credit (OneMD)

The One Maryland Tax Credit (OneMD) was enacted in 1999 to promote job creation and investment in qualified distressed communities, those counties with high unemployment and low per capita income compared to the rest of Maryland. Chapter 584, Acts of 2018 amended the program to create tiered benefits and job thresholds. The changes also expanded the eligible jurisdictions based on levels of economic prosperity. Those changes were effective for any business that applies for Final Certification beginning July 1, 2018. Companies that participate in the One Maryland Tax Credit program may carry their certified tax credits forward for 10 years to reflect the long-term nature of the investment that participating companies make in the State.

In FY 2019, the Department issued Final Certificates of Eligibility to Choptank Transport in Caroline County and Groove Commerce in Baltimore City. The businesses reported creating 78 new jobs and eligible project expenditures of \$3.0 million. The impact is 161 total jobs and \$409,620 in annual tax revenues to the State per year. The project costs are the expenses incurred for the acquisition, construction, rehabilitation, installation, and equipping of an eligible project. Additional start-up costs are for the expense of moving a business from outside Maryland and the costs of furnishing and equipping a new location. These activities generate additional direct jobs to the State outside of the direct jobs but these are not included.

One Maryland Tax Credits FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues	Revenues Over 10-Year Carryforward Period
Direct	78	\$3,477,960	\$211,190	\$2,111,900
Secondary	83	\$3,125,160	\$198,440	\$1,904,400
Total	161	\$6,603,120	\$409,620	\$4,096,200

Commerce analysis using IMPLAN, Amounts in 2019 dollars

The amount of tax credits actually claimed by the company is not known to the Department. However, based on the eligible project costs, the companies could be eligible to claim as much as \$3.0 million in credits over ten years. As a non-discretionary tax credit, the applicants must demonstrate that they have met job creation and investment targets prior to claiming the credits. Businesses have ten years to carry the credit forward, but they must maintain the jobs for that period. Because the refundable portion of the credit is limited to the payroll withholding of the qualified jobs, the businesses that create a large number of jobs will accelerate their ability to use their full credit.

As this program is statutorily designed to support the jurisdictions of the State that are most in need of new business investment, every new job or investment in those jurisdictions helps to fulfill that goal. In addition, this program fulfills Objective (2) of §2.5–105 by promoting and encouraging the location and creation of new industries and businesses in the State and encouraging the retention and expansion of existing industries.

Job Creation Tax Credit (JCTC)

The Job Creation Tax Credit (JCTC) was enacted in 1996 to encourage businesses to create new jobs in Maryland. The credit is available Statewide, but lower job thresholds and increased

credits are available in targeted areas. The JCTC underwent the major reform during the 2017 session to reflect the current economic environment and to improve compliance. As of January 1, 2018, credits are for \$3,000 or \$5,000 per full-time job paying 120 percent of state minimum wage. The JCTC is available anywhere in the State in a variety of targeted industry sectors and is capped at \$4 million per year. Jobs created under this credit must remain filled for at least three years after receiving the credit to avoid partial or full credit recapture under § 6-305 of the Economic Development Article.

In FY 2019, the Department issued final certificates of eligibility for the JCTC to 14 companies who reported creating 600 new jobs in Maryland. The amount of tax credits actually claimed by the company is not known to the Department because of taxpayer confidentiality. However, based on the eligible jobs and wages, the companies could be eligible to claim as much as \$2.5 million in credits. The total impact is 1,387 total jobs and \$4.5 million in annual tax revenues to the State.

JCTC FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues	Revenues During Three-Year Recapture Period
Direct	600	\$42,560,490	\$2,486,820	\$7,460,460
Secondary	786	\$33,054,540	\$2,066,800	\$6,200,400
Total	1,387	\$75,615,030	\$4,553,620	\$13,660,860

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the General Assembly intends that the purpose of the job creation tax credit is to encourage “(1) the expansion of existing private sector enterprises; and (2) the establishment or attraction of new private sector enterprises,”⁶ all jobs created by the program advance these goals. In addition, this program fulfills Objective (9) of §2.5–105 by fostering and developing employment opportunities for residents of the State.

Partnership for Workforce Quality (PWQ)

The Partnership for Workforce Quality Program (PWQ) was established by legislation in 1989 to assist Maryland companies to invest in training for employees. The funds enable companies to acquire new skills and technologies that have been identified by the business plan as a catalyst for growth and competitiveness in the industry. PWQ helps participating companies develop and implement training systems to improve business competitiveness and worker productivity, upgrade the skills of workers to accommodate new technologies and production processes, and promote employment stability. Funds are disbursed to eligible Maryland companies in the form of grants for up to 50 percent of qualified reimbursable direct cost of training.

In FY 2019, 33 companies received training grants totaling \$1,060,646 with training costs of \$2.1 million for the training of 1,623 employees. The companies also reported 99 new jobs and 2,755 retained jobs. The impact analysis below is based on the impact of the trainees only. Additional benefits are possible from providing improved skills and increasing productivity. Those jobs generate 3,386 total jobs and annual State revenues of \$10.9 million.

⁶ § 6-302 of the Economic Development Article

PWQ FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	1,623	\$114,575,760	\$6,694,690
Secondary	1,763	\$68,779,990	\$4,276,450
Total	3,386	\$183,355,750	\$10,971,140

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program under §3–403 of the Economic Development Article is to “provide training services to (1) improve the competitiveness and productivity of the State’s workforce and business community; (2) upgrade employee skills for new technologies or production processes; and (3) assist employers located in the State in promoting employment stability,” any company receiving assistance and any employee receiving training counts as a success. In addition, this program fulfills Objective (7) of §2.5–105 by assisting businesses and employees through training and other employment services.

Hire Our Veterans Tax Credit (HOVTC)

The Hire Our Veterans Tax Credit (HOVTC) was established by legislation in 2017 to provide a State income tax credit to small businesses for hiring qualified veterans based on wages paid to those veteran employees. A qualified small business may qualify for an income tax credit up to a maximum of \$1,800 per qualified veteran employee in the first year of employment. In FY 2019, two companies received credits totaling \$5,400 and reported three new employees.

Hire Our Veterans FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	3	\$201,930	\$12,620
Secondary	3	\$125,480	\$7,810
Total	6	\$327,410	\$20,420

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program under §10–743 of the General Tax Article is to assist Maryland’s small businesses in hiring qualified veterans, any veteran hired under this program represents a successful outcome. In addition, this program fulfills Objectives (4) and (7) of §2.5–105 by assisting the growth and revitalization of small businesses and assisting businesses and employees through training and other employment services.

Aerospace, Electronics, or Defense Contract Tax Credit (AEDTC)

The Aerospace, Electronics, or Defense Contract Tax Credit (AEDTC) was established by legislation in 2016 to provide a tax credit to a business operating a qualified aerospace, electronics, or defense project that creates or retains at least 10,000 jobs and spends at least \$25 million in qualified expenditures during the credit year. In FY 2019 Northrop Grumman Systems Corporation was a qualified business entity operating three Aerospace, Electronics, or Defense

Contract projects in Maryland. Each Aerospace, Electronics, or Defense Contract project qualified for \$2.5 million of tax credit, resulting in total aggregate credits of \$7.5 million. The company retained 10,000 jobs for contracts supporting radar manufacturing and assembly, building missile target vehicles, and other defense contracts.

Aerospace, Electronic, Defense FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	10,000	\$1,381,927,530	\$81,267,430
Secondary	17,663	\$714,342,150	\$44,805,150
Total	27,663	\$2,096,269,680	\$126,072,590

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to support the State's aerospace, electronics and defense industries, which are some of the State's key industry sectors, any assistance rendered to any company under this program counts as a successful outcome. In addition, this program fulfills Objective (2) of §2.5–105 by promoting and encouraging the location and creation of new industries and businesses in the State and encourage the retention and expansion of existing industries.

Maryland Economic Development Assistance Authority Fund (MEDAAF)

The Maryland Economic Development Assistance Authority Fund (MEDAAF), now referred to as “Advantage Maryland,” is the primary economic development finance tool offered by the Department. MEDAAF was enacted in 1999 to provide below market, fixed rate financing to growth industry sector businesses, locating or expanding in priority funding areas of the State. The MEDAAF program is administered under five capabilities that address appropriate economic development opportunities for both the business community and political jurisdictions as follows:

- MEDAAF Capability 1 - Significant Strategic Economic Development Opportunities
- MEDAAF Capability 2 - Local Economic Development Opportunities
- MEDAAF Capability 3 - Direct Assistance to Local Jurisdictions or MEDCO
- MEDAAF Capability 4 - Regional or Local Revolving Loan Funds
- MEDAAF Capability 5 - Special Purpose Grants and Loans/Brownfields

The primary job creation capabilities are MEDAAF-1 and 2. MEDAAF-3 provides direct assistance to local jurisdictions for economic development projects and MEDAAF-4 provides for local governments to create revolving loan funds to assist small businesses. MEDAAF-5 has several special purposes including day care facility finance, Arts and Entertainment Districts, and brownfield remediation. Total accounts in the portfolio at June 30, 2019 are 114 with assets under management of \$102.3 million.

MEDAAF Capability 1 - Significant Strategic Economic Development Opportunities

Projects under this capability are normally regarded as producing significant economic development opportunities on a Statewide or regional level. Assistance is provided directly to

businesses or through the Maryland Economic Development Corporation (MEDCO) in the form of a loan. The maximum assistance under this capability cannot exceed the lesser of \$10,000,000 or 20 percent of the current fund balance. This capability has had limited use for a number of years and there was no activity in FY 2019.

Although this program was not used in FY 2019, its existence provides a tool that can be used to attract or retain significant development opportunities. In addition, this program fulfills Objective (2) of §2.5–105 by promoting and encouraging the location and creation of new industries and businesses in the State and encourage the retention and expansion of existing industries.

MEDAAF Capability 2 - Local Economic Development Opportunities

Capability 2 of MEDAAF provides assistance in the form of a loan, a conditional loan, investment, or a grant directly to a business or to MEDCO for use in the project. All assistance under this capability must be endorsed through a formal resolution by the governing body of the jurisdiction in which the project is located. In addition, the local jurisdiction must participate in an amount equal to at least 10 percent of the total assistance. Funds may be used for land acquisition, infrastructure improvements, buildings, fixed assets and leasehold improvements.

Ten companies received funding under MEDAAF-2 totaling \$8.1 million in FY 2019. The assistance takes the form of conditional loans and conditional grants. The recipients include seven manufacturers including a brewery, one distribution company, a headquarters, and a research consulting firm. The companies committed to creating 2,646 new jobs and retaining 4,986 jobs for a total of 7,632 direct jobs. With an average annual salary over \$47,500, the direct jobs are estimated to generate \$22.7 million in annual State revenues. Including secondary impacts, the annual State revenues are over \$39 million. In addition, project costs totaling \$485 million may generate additional economic activity and revenues for the State although these are not included in the impacts below.

MEDAAF-2 FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	7,632	\$362,858,850	\$22,735,280
Secondary	7,028	\$274,539,490	\$17,024,500
Total	14,660	\$637,398,350	\$39,759,780

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As of December 31, 2019, fifty-nine companies reported 31,945 contractually obligated jobs, representing all jobs created and retained by companies who are actively being assisted by the program. Of those companies, three were eligible for forgiveness of \$3.0 million for meeting their contractual obligations, while seven were required to pay partial or full claw back payments of \$1.2 million for not meeting their contractual obligations.

As the purpose of this program is to assist local jurisdictions in their economic development efforts, any assistance rendered through it to any company in any participating jurisdiction under this program counts as a successful outcome. In addition, this program fulfills Objective (1) of

§2.5–105 by advancing the economic welfare of the public through programs and activities that develop in a proper manner the natural resources and economic opportunities of the State.

2. Local Government Support for Economic Development

Commerce partners with numerous agencies and organizations to bring strategic economic development opportunities to communities throughout Maryland. The Department may provide funding to a local jurisdiction or to the Maryland Economic Development Corporation for commercial and industrial economic development projects, strategic plans, feasibility studies, revolving loan funds and infrastructure projects. There may be no reported immediate job impacts of these projects, as the funds go directly to the jurisdiction and not to a business. The evaluation therefore should be based on results reported by the community in terms of assistance leveraged and project costs.

MEDAAF Capability 3 - Direct Assistance to Local Jurisdictions or MEDCO

Capability 3 of MEDAAF provides assistance directly to a local jurisdiction or the Maryland Economic Development Corporation (MEDCO) for local economic development needs including feasibility studies, economic development strategic plans, and infrastructure. Funds may be used for buildings, infrastructure improvements, fixed assets and leasehold improvements. All assistance under this capability must be endorsed through a formal resolution by the governing body of the jurisdiction in which the project is located. Assistance provided may be in the form of a loan, a conditional loan, investment, or a grant. There was no activity in FY 2019.

Although this program was not used in FY 2019, its existence provides a tool that can be used to assist local governments with their economic development planning needs. In addition, this program fulfills Objective (5) of §2.5–105 by supporting the growth of the State and regional economies by providing consulting, technical assistance, and liaison activities on business and economic development issues.

MEDAAF Capability 4 - Regional or Local Revolving Loan Funds

Capability 4 of MEDAAF provides assistance to local jurisdictions to help capitalize local economic development revolving loan funds. The typical revolving loan fund client is a small business that may be in an industry sector, such as retail service, that is not otherwise eligible for assistance. The final recipient of financing is determined by the local jurisdiction. Jurisdictions may receive funding of up to \$250,000 annually. To qualify for funding, local jurisdictions must provide acceptable matching funds into the designated revolving loan fund. With the growth in available funding through the State's Small, Minority, and Women-Owned Businesses Account - Video Lottery Terminal Fund there has been less demand for the revolving loan fund. There was no activity in FY 2019.

Although this program was not used in FY 2019, its existence provides a tool that can be used to assist local governments with their economic development planning needs. In addition, this program fulfills Objective (5) of §2.5–105 by supporting the growth of the State and regional economies by providing consulting, technical assistance, and liaison activities on business and economic development issues.

3. Leveraging Private Investment

To help secure more funding for Maryland's entrepreneurs and reduce risk, Commerce programs encourage private sector investments with insurance and the issuance of tax-exempt and taxable revenue bonds.

Maryland Industrial Financing Authority (MIDFA)

The Maryland Industrial Development Financing Authority (MIDFA) was established by the Maryland General Assembly in 1965 to promote significant economic development by providing financing support to manufacturing, industrial and technology businesses located in or moving to Maryland. MIDFA encourages private sector investments through the use of insurance, the issuance of tax-exempt and taxable revenue bonds and linked deposits, which reduces a lender's risk and increase access to capital for small and mid-sized companies. The Program has increased its commitment to growth and development of small business by increasing outreach efforts to community banks.

The Fund does not provide direct loans but provides insurance to transactions resulting in reduced credit risks, and enabling better terms from private financial institutions. During FY 2019, MIDFA settled one Conventional Insurance transaction totaling \$1.9 million and insured for \$950,000 to Maritime Applied Physics Corp. The company reported 55 retained jobs and project costs of \$2 million. A MIDFA tax exempt bond of \$20 million was issued to finance McDonogh School's facility construction and renovations, and other campus improvements. A MIDFA tax exempt bond of \$34.25 million was issued for the National Aquarium to refinance existing debt. As of June 30, 2019, the Fund insured outstanding balances of \$16.9 million for \$4.3 million for twenty-three companies.

MIDFA FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	308	\$13,665,770	\$829,800
Secondary	157	\$5,598,240	\$355,470
Total	465	\$19,264,010	\$1,185,270

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to leverage and support private investment, any assistance rendered through it to any company or organization under this program counts as a successful outcome. In addition, this program fulfills Objective (1) of §2.5–105 by advancing the economic welfare of the public through programs and activities that develop in a proper manner the natural resources and economic opportunities of the State.

4. Direct Lending and Access to Capital Assistance to Small and Minority Businesses

Another economic development priority is to target assistance to populations and areas that have been underserved compared to the rest of the region by providing access to capital. These targeted programs aim to ensure that economic development incentives are used broadly across

the State. Unlike most economic development incentives, these programs may be used for non-basic industries such as retail, which may not bring new spending into the State, but that support existing businesses and entrepreneurs, that are in areas experiencing greater economic distress.

Maryland Economic Adjustment Fund

The Maryland Economic Adjustment Fund (MEAF) was established in 1994 as a revolving loan fund to assist companies experiencing dislocation due to defense adjustments. MEAF is supported by funds from the US Economic Development Administration and the State. Funding assistance through MEAF assists small businesses with upgrading manufacturing operations, developing commercial applications for technology, or entering into and competing in new economic markets. Eligible businesses include manufacturers, wholesalers, service companies, and skilled trades. Funds can be used for working capital machinery and equipment, building renovations, real estate acquisitions and site improvements. There was no activity in FY 2019.

Although this program was not used in FY 2019, its existence provides a tool that can be used to assist companies experiencing dislocation due to defense adjustments. In addition, this program fulfills Objective (3) of §2.5–105 by supporting the creation of new businesses and the growth of existing businesses in the State by improving their quality, productivity, and competitive position in the global marketplace.

Military Personnel and Veteran-Owned Small Business No-Interest Loan Program

The Military Personnel and Veteran-Owned Small Business No-Interest Loan Program (MPVSBLP) was enacted originally in 2006 to assist with costs that result from the call to active duty for businesses owned by military reservists and National Guard members and for small businesses that employ such persons. In the 2013 Legislative session, the Maryland General Assembly approved Chapter 105, which altered the name and expanded eligibility for participation in the program to include all veteran-owned small businesses. The change also eliminated the requirement for a veteran to have a service-related disability to use the program.

During fiscal year 2019, the Department settled one MPVSBLP transaction that will utilize \$50,000 of program funds. This project is anticipated to create 24 jobs and retain 6.

Military/Veteran Small Business FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	30	\$2,738,520	\$162,390
Secondary	31	\$1,154,090	\$72,220
Total	61	\$3,892,600	\$234,600

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to support veteran-owned small businesses in Maryland, any assistance rendered through it to any Maryland business counts as a successful outcome. In addition, this program fulfills Objective (4) of §2.5–105 by assisting the growth and revitalization of small businesses.

Maryland Small Business Development Financing Authority (MSBDFA)

The Maryland Small Business Development Financing Authority (MSBDFA) was enacted in 1978 to promote the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs. In 2001, the Maryland General Assembly modified the statute to include all small businesses that do not meet the credit criteria of financial institutions, and consequently are unable to obtain adequate business financing on reasonable terms through normal financing channels. Meridian Management Group, Inc. (MMG) manages the funds under contract with the Department.

MSBDFA offers contract financing, surety bonds, guaranty funds and equity participation. During FY 2019, 23 transactions settled in the form of loans, guaranties and surety bonds, totaling \$8.4 million.

- The Contract Financing Program (CFP) provides financial assistance to eligible businesses in the form of direct loans and loan guaranties. The funds may be used for working capital and the acquisition of equipment needed to begin, continue, or complete work on contracts where a majority of funds are provided by a federal, state or local government agency or utilities regulated by the Public Service Commission. During FY 2019, one loan transactions closed totaling \$200,000.
- Guaranty Fund Program (GFP) provides financial assistance to eligible businesses in the form of loan guaranties and interest rate subsidies for loans made by financial institutions. In FY 2019, there were six transactions under the Guaranty Fund component requiring \$2.07 million of guarantee support.
- Surety Bond Program (SBP) assists eligible small businesses in obtaining bid, performance or payment bonds necessary to perform on contracts where the majority of funds are provided by a government agency, public utility company or private entity. There was no activity in FY 2019.
- Equity Participation Investment Program's (EPIP) purpose is to expand business ownership by socially and economically disadvantaged entrepreneurs and small businesses that do not meet the established credit criteria of financial institutions and are unable to obtain adequate business financing on reasonable terms through normal financing channels. Financial assistance is provided through the use of loans, loan guaranties, and equity investments. In FY 2019, there were 18 EPIP transactions to 16 companies equal to \$4.91 million.

In total, there were 27 settled transactions for 23 recipients of MSBDFA assistance in FY 2019. The recipients reported 73 new jobs, 117 retained jobs and total project costs of \$13.5 million. The 190 direct jobs are estimated to generate 121 additional jobs and total annual State revenues of \$720,580. MSBDFA has 91 active transactions, that represent 77 small businesses with a portfolio of \$20.5 million under management.

MSBDFA FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	190	\$6,755,370	\$428,940
Secondary	121	\$4,691,830	\$291,640
Total	311	\$11,447,200	\$720,580

Commerce analysis using IMPLAN, Amounts in 2019 dollars

Since 1978, the purpose of this program has been to promote the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs in Maryland. Therefore, any assistance rendered through MSBDFA to any Maryland business counts as a successful outcome. In addition, this program fulfills Objective (4) of §2.5–105 by assisting the growth and revitalization of small businesses.

Small, Minority, and Women-Owned Businesses Account - Video Lottery Terminal Fund

The Small, Minority, and Women-Owned Businesses Account- Video Lottery Terminal Fund (VLT) provides investment capital and loans to small, minority, and women-owned businesses in the State. The 2007 legislation establishing VLTs in Maryland created the Small, Minority, and Women-Owned Businesses Account. State Law requires that 1.5 percent of VLT proceeds be paid into the Account to be used by Commerce to make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State, of which at least 50 percent must be allocated to such businesses in the jurisdictions and communities surrounding a video lottery facility. Eligible Fund Managers oversee the distribution of video lottery terminal funds. In FY 2019, there were eight designated fund managers that received funds for the purpose of making loans to small, minority, and women-owned businesses in the State.

- Anne Arundel Economic Development Corporation (AAEDC) settled 11 transactions totaling \$2,189,000.
- Baltimore County Department of Economic and Workforce Development settled one transaction totaling \$250,000.
- Baltimore Development Corp. settled 6 transactions totaling \$804,000.
- FSC First Prince George's settled 4 transactions totaling \$566,000.
- Howard County Economic Development Authority settled 13 transactions totaling \$2,947,375.
- Maryland Capital Enterprises Inc. (MCE) settled 16 transactions totaling \$ 773,764.
- Meridian Management Group, Inc. (MMG) settled seven transactions totaling \$1,465,000.
- Tri County Council for Western Maryland settled two transactions totaling \$777,000.

Of the 59 businesses supported by the VLT funds 23 percent are minority-owned and twenty nine percent are women-owned. Another nine percent are Veteran-owned. Nearly half of the recipients used the funds for working capital. Other uses were building purchases, inventory, and equipment purchases. The loan funds leveraged \$\$16.7 million in private sector funding.

In total, the fund managers reported that loans totaling \$9,772,139 supported 437 new jobs and retained 374 jobs. The transactions are estimated to result in 1,463 total jobs and \$4.3 million in annual State revenue.

VLT FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues Per Year of Loan Repayment (Varies by Loan)
Direct	811	\$45,226,700	\$2,791,260
Secondary	652	\$24,729,130	\$1,541,470
Total	1,463	\$69,955,840	\$4,332,730

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to provide investment capital and loans to small, minority, and women-owned businesses in Maryland, any assistance rendered through it to any Maryland business counts as a successful outcome. In addition, this program fulfills Objective (4) of §2.5–105 by assisting the growth and revitalization of small businesses.

5. Promoting Technology Startups and Innovation

Another strategy for promoting economic growth is promoting technology innovation. Through the process of invention and commercialization, new economic activity is created that attracts investment and spending from outside the region. These kinds of activities may require different incentives, as the needs of technology startups differ from those of existing businesses. The goal is to trigger the higher wages and faster growth these activities stimulate. Maryland has a number of programs that are designed to take advantage of the State's unique opportunities in areas of technology and innovation. These include the State's incubators, TEDCO programs, university technology transfer, tax credits and direct investment. The goal is the commercialization of existing technology to create new economic activity and the creation of new startups. The core metric is generally related to the amount of investment leveraged, the number of startups nurtured, and "graduations" from incubators. The number of jobs created by the recipients is generally smaller than other programs initially, with greater potential for growth in later years.

Biotechnology Investment Incentive Tax Credit (BIITC)

Maryland's Biotechnology Investment Incentive Tax Credit (BIITC) program provides income tax credits for investors that invest in Qualified Maryland Biotechnology Companies (QMBCs). This tax credit program was enacted in 2005 to offer incentives for investment in seed and early stage, privately held biotech companies. In Fiscal Year 2019, the appropriation was \$12 million. There were 332 applications from investors of which 110 received the BIITC. There were 23 QMBCs to qualify for investments through the program in FY 2019. The amount of Final Tax Credit Certificates awarded was \$12,309,027, leveraging \$24.6 million in investment. The

QMBCs reported 74 jobs supported in Maryland which are estimated to generate 137 secondary jobs and \$734,780 in annual State revenue.

BIITC FY 2019 Annual Impacts

	Jobs	Wages	Annual State Revenues
Direct	74	\$6,161,510	\$362,900
Secondary	137	\$5,955,410	\$371,880
Total	211	\$12,116,920	\$734,780

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to attract investment to Qualified Maryland Biotechnology Companies in Maryland, any level of investment that is attracted counts as a successful outcome. In addition, this program fulfills Objectives (2) and (4) of §2.5–105 by promoting and encouraging the location and creation of new industries and businesses in the State and encouraging the retention and expansion of existing industries and by assisting the growth and revitalization of small businesses.

Cybersecurity Investment Incentive Tax Credit (CIITC)

Maryland's Cybersecurity Investment Incentive Tax Credit (CIITC) program provides a refundable income tax credit to Qualified Maryland Cybersecurity Companies (QMCCs) that secure investment from investors. The purpose of this program is to incentivize and attract cybersecurity companies to startup in or move to Maryland; and to attract investment to cybersecurity companies in order to help them grow, create jobs and retain intellectual property in Maryland. Chapter 578, Acts of 2018 altered the CIITC program to provide the incentive to the investor instead of the QMCC. These changes were effective in FY 2019.

There were twelve investor applications for CIITC investing in two Qualified Maryland Cybersecurity Companies (QMCC) that qualified for tax credits totaling \$430,650 through the program in FY 2019 leveraging \$1.3 million private investment capital.

CIITC Annual Impacts 2019

	Jobs	Wages	Annual State Revenues
Direct	5	\$487,450	\$28,900
Secondary	6	\$207,030	\$12,950
Total	11	\$694,480	\$41,860

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to attract investment to Qualified Maryland Cybersecurity Companies, any investment that is attracted counts as a successful outcome. In addition, this program fulfills Objectives (2) and (4) of §2.5–105 by promoting and encouraging the location

and creation of new industries and businesses in the State and encouraging the retention and expansion of existing industries and by assisting the growth and revitalization of small businesses.

Research and Development (R&D) Tax Credit

The Research and Development Tax Credit (R&D Tax Credit) was enacted in 2000 to encourage businesses to maintain and increase R&D expenditures in the State. The statutory cap is \$5.5 million for a Basic R&D Tax Credit of 3 percent and \$6.5 million for a Growth R&D Tax Credit of 10 percent. To qualify for the R&D Growth credit a company's current year R&D expenditures must exceed its average expenses over the last four years. The program has been oversubscribed since first enacted, so the businesses receive a pro-rated share of the total amount available for both the Basic and Growth tax credit. At the nominal statutory rates, applicants would have received \$99.2 million in tax credits. However, the tax credits are limited to \$12 million and the credits pro-rated.

The Department certified 356 businesses in all regions of the State to receive credits for research conducted in Maryland for their tax year ending in 2017 (certified in FY 2019). The largest share of tax credits goes to manufacturers, with nearly \$7.8 million of the \$12 million in total credits.

Industry	Count of Recipients	Tax Credit Amount
Manufacturing	107	7,769,256
Professional & Technical services	167	2,543,427
Information Technology	29	727,226
Biotechnology	7	303,964
Financial Services	4	265,002
Construction	21	227,538
Warehousing/Distribution	11	76,665
Education	5	42,710
Retail Trade	4	40,112
Agribusiness	1	4,099
Total	356	\$12,000,000

The businesses applying for the Maryland R&D tax credit incurred \$2.1 billion in qualified research and development expenses in Maryland in the tax year ending 2017. Total R&D spending in 2017 increased \$371.3 million over the 2013-2016 average. Of the 356 businesses that received certification, 257 increased their R&D expenses in 2017 over their average R&D expenses from the previous four years and were therefore able to claim the R&D Growth Tax Credit.

Based on the amount of increase in R&D expenditures in the State, we used the IMPLAN model to estimate that the program created 1,372 direct jobs, or seven percent of the 20,000 Maryland employees engaged in R&D reported by the recipient companies. The total estimated job impact

is 2,747 jobs and \$143 million in wages. The total State revenue from those jobs is \$9.0 million per year.

R&D Tax Credit FY 2019 Impacts (Tax Year 2017)

	Jobs	Wages	Annual State Revenues
Direct	1,372	\$87,463,550	\$5,464,170
Secondary	1,375	\$55,864,260	\$3,524,620
Total	2,747	\$143,327,810	\$8,988,790

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to support R&D activities in Maryland, any assistance rendered through it to any Maryland business counts as a successful outcome. In addition, this program fulfills Objectives (3) and (4) of §2.5–105 by supporting the creation of new businesses and the growth of existing businesses in the State by improving their quality, productivity, and competitive position in the global marketplace and by assisting the growth and revitalization of small businesses.

Maryland E-Nnovation Initiative

The Maryland E-Nnovation Initiative (MEI) was enacted in 2014 to spur basic and applied research in scientific and technical fields at Maryland colleges and universities. The initiative provides a State match to private funds raised in support of endowed chairs at Maryland's higher education institutions. In FY 2019, the Department approved matching grants of \$9.5 million to support the endowments at nine institutions.

FY 2019 recipients were Hood College, The Johns Hopkins University, the University of Maryland Baltimore, the University of Maryland College Park, Maryland Institute College of Art, Mount St. Mary's University, Towson University, and Washington College. Fields of study funded by MEI include advanced data analytics, geographic information systems, social design, theoretical computer science, and oral and maxillofacial surgery, among others. There are no direct job impacts reported, but the investment can be estimated to result in academic activity that generates jobs.

As the purpose of this program is to support University-led basic and applied research, any additional research incited by this program counts as a successful outcome. In addition, this program fulfills Objective (1) of §2.5–105 by advancing the economic welfare of the public through programs and activities that develop in a proper manner the natural resources and economic opportunities of the State.

6. Economic Diversification Through Targeted Industry Support

While many state economic development programs aim to provide incentives to businesses from any industry, a large proportion of state programs target their incentives at specific industries. These may be existing industries, which have proven particularly valuable to the economy of the state, are considered to have growth potential, or are emerging industries perceived as having strong future growth potential. The specific industries most targeted by incentive programs are research and development, entertainment and visitor industries, transportation and logistics, agribusiness and food processing, and renewable energy. Other industries frequently targeted by

incentive programs include life sciences, information technology, defense and security and advanced manufacturing.

As with other states, many of Maryland's programs are intended to diversify the economy by focusing resources on the industry sectors that promote the greatest impact and opportunities for growth. The focus is generally on industries that bring new spending into the State that would not otherwise occur. Examples include:

- Cybersecurity Investment Incentive Tax Credit
- Biotechnology Investment Incentive Tax Credit
- Employer Security Clearance Costs Tax Credit
- Buy Maryland Cybersecurity Tax Credit
- Maryland Wineries and Vineyards Tax Credit

Employer Security Clearance Costs Tax Credit

The Maryland Employer Security Clearance Costs Tax Credit program was enacted during the 2012 session of the Maryland General Assembly. The Maryland Employer Security Clearance Costs Tax Credit Program includes three tax credits:

- Security Clearance Administrative Expense Tax Credit – This credit is 100 percent of eligible administrative expenses related to obtaining and maintaining federal security clearance for employees up to \$200,000.
- Sensitive Compartmented Information Facility Costs Tax Credit – This tax credit is 50 percent of eligible construction or renovation costs of a single Sensitive Compartmented Information Facility (SCIF) up to \$200,000, and costs related to multiple SCIFs up to \$500,000.
- First Year Leasing Costs Tax Credit for Qualified Small Business – This credit is 100 percent of eligible first year leasing costs for small businesses doing security-based contract work up to \$200,000.

The Department certified 73 businesses to receive credits totaling \$2 million for incurring \$16.6 million in qualified costs in Maryland for their tax year ending in 2017 (certified in FY 2019). The recipients and credit amounts are listed in Appendix D. The companies reported a total of 20,422 Maryland employees and 13,496 Maryland positions engaged in security-based work.

- Employers reported they incurred \$3.0 million in eligible Security Clearance Administrative costs
- Employers reported they incurred \$13.5 million in eligible SCIF costs
- Employers reported \$50,576 in eligible lease costs.

As the purpose of this program is to support Maryland businesses who depend on security-cleared employees and secure locations in which to work, any assistance rendered through it that assists any Maryland business in these areas counts as a successful outcome. In addition, this program fulfills Objective (4) and (7) of §2.5–105 by assisting the growth and revitalization of small businesses and by assisting businesses and employees through training and other employment services.

Buy Maryland Cybersecurity Tax Credit

The Buy Maryland Cybersecurity Tax Credit program was enacted in 2018 to provide an incentive for Maryland Companies to purchase cybersecurity technologies and services from a Qualified Maryland Cybersecurity Seller. The tax credit is awarded on a first come first served basis, and is subject to funding available, which is \$4 million FY 2019. Twenty-five percent of the annual funding amount is earmarked for cybersecurity service purchases, and the remaining 75% is available for cybersecurity technology purchases. In FY 2019, 22 companies made qualified cybersecurity purchases from Maryland companies totaling \$470,649.

Buy Maryland Cybersecurity Tax Credit FY 2019 Impacts

	Jobs	Wages	Annual State Revenues
Direct	3	\$144,130	\$8,900
Secondary	2	\$95,530	\$5,950
Total	5	\$239,660	\$14,840

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to build local supply chains in the Cyber industry and to support Maryland-based cybersecurity firms, any assistance rendered through it to any Maryland business counts as a successful outcome. In addition, this program fulfills Objective (4) of §2.5–105 by assisting the growth and revitalization of small businesses.

Maryland Film Production Activity Tax Credit

The Maryland Film Production Activity Tax Credit (Film tax credit) is a tax credit for qualified direct costs of qualified film production activities including feature films and TV series. The intent of the program is to encourage film production activity in Maryland. A film production entity may receive a refundable income tax credit of up to 25 percent of qualified direct costs of a film production activity. A television series may receive a credit of up to 27 percent of qualified direct costs.

One television production closed out reporting for the credits totaling \$7.2 million in FY 2019. House of Cards season 6 reported over \$68 million of spending in the State. The production reported hiring 1,640 local crew (crew, technicians, cast and extras) and purchased goods or services from 1,736 Maryland businesses. A 2014 analysis of the Maryland film industry by RESI found that the multiplier effect for film production in Maryland was 1.7. Applying this multiplier finds that the estimated direct impact of 480 full-time equivalent jobs resulted in 816 total jobs created by the industry.

Film Production Activity Tax Credit FY 2019 Impacts

	Jobs	Wages	Annual State Revenues
Direct	480	\$11,447,810	\$731,660
Secondary	333	\$10,159,090	\$631,650
Total	816	\$21,606,910	\$1,363,320

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to support Maryland's film industry, any assistance rendered through it to any Maryland business involved in that industry counts as a successful outcome. In addition, this program fulfills Objectives (4) and (9) of §2.5–105 by assisting the growth and revitalization of small businesses and by fostering and developing employment opportunities for residents of the State.

Wineries and Vineyards Tax Credit

The Maryland Wineries and Vineyards Tax Credit program was enacted in 2012 for qualified capital expenses related to a Maryland winery or vineyard. The credit is equal to 25 percent of qualified capital expenses made in connection with the establishment of new wineries or vineyards, or capital improvements made to existing wineries or vineyards in Maryland. Total credits granted may not exceed \$500,000 in a year. If the total amount of credits applied for exceeds \$500,000, the credit is prorated among the certified applicants.

The Department certified 41 wineries and vineyards in all regions of the State to receive credits of \$500,000 for \$2.3 million in capital expenditures made in Maryland for their tax year ending in 2017. The recipients and credit amounts are listed in Appendix E.

Wineries & Vineyards Tax Credit FY 2019 Impacts

	Jobs	Wages	Annual State Revenues
Direct	10	\$164,760	\$10,710
Secondary	5	\$194,830	\$12,040
Total	15	\$359,590	\$22,750

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to support the growth of wineries and vineyards in Maryland, any assistance rendered through it to any Maryland winery or vineyard counts as a successful outcome. In addition, this program fulfills Objectives (2) and (4) of §2.5–105 by promoting and encouraging the location and creation of new industries and businesses in the State and encouraging the retention and expansion of existing industries and by assisting the growth and revitalization of small businesses.

7. Special Purpose

MEDAAF Capability 5 - Special Purpose Grants and Loans

This capability contains targeted programs for specialty initiatives that at one time had been deemed critical to the State's economic health and development by the General Assembly. These specialty programs may be exempt from local participation and certain other MEDAAF requirements. The special purpose initiatives include Brownfields, Seafood and Aquaculture, Animal Waste, Day Care, and Arts and Entertainment. The funds do not have a direct job creation component. In FY 2019 there was one MEDAAF-5 loan approved to Maryland Theatre for \$2 million to assist with the expansion of the Arts and Entertainment District in Hagerstown. With project costs of \$13.3 million, the total project will generate 236 jobs.

MEDAAF-5 FY 2019 Impacts

	Jobs	Wages	Annual State Revenues
Direct	111	\$1,672,380	\$108,670
Secondary	124	\$2,594,700	\$166,860
Total	236	\$4,267,090	\$275,540

Commerce analysis using IMPLAN, Amounts in 2019 dollars

As the purpose of this program is to support specialty initiatives that at one time had been deemed critical to the State's economic health and development by the General Assembly, any assistance rendered through it to any Maryland organization or program counts as a successful outcome. In addition, this program fulfills Objective (2) of §2.5–105 by promoting and encouraging the location and creation of new industries and businesses in the State and encourage the retention and expansion of existing industries;

Maryland Nonprofit Development Center Program and Fund - Nonprofit, Interest-Free, Micro Bridge Loan Account (NIMBL)

The Maryland Nonprofit Development Center Program and Fund (NIMBL) is a loan program under the Maryland Nonprofit Development Center Program. The purpose of the program is to foster, support, and assist the economic growth and revitalization of qualifying nonprofit entities in the State by providing bridge loans to nonprofit entities. NIMBL provides short-term financing support to qualifying nonprofit entities between the award date of a government contract and the actual receipt date of those awarded funds. Maryland nonprofits are eligible for up to \$25,000 in NIMBL interest-free loans. Nonprofit entities must provide written confirmation from the government entity of funding from government grants or contracts but have not yet received funding, with repayment due upon final grant or contract payment. Loan funds may be used for operating expenses only. In FY 2019, seven nonprofits received loans totaling \$175,000.

As the purpose of this program is to foster, support, and assist the economic growth and revitalization of qualifying nonprofit entities in the State by providing bridge loans to nonprofit

entities, any assistance rendered through it to any Maryland nonprofit counts as a successful outcome. In addition, this program fulfills Objective (1) of §2.5–105 by advancing the economic welfare of the public through programs and activities that develop in a proper manner the natural resources and economic opportunities of the State;

Program Compliance

Each of the Department's assistance programs has fair and discernible requirements that are set forth and communicated to recipients at the inception of each incentive agreement. Over agreement, the Department's program-management staff maintains regular contact with recipients to maintain records of their adherence to these requirements. This contact includes, but is not limited to, email, phone, and direct mail requests for employment compliance reporting or tax information, payment reminders, and financial reviews. The Department strives to aid in and promote success for recipients, regardless of assistance type or business size.

Most of the compliance follow-up falls into one of two groupings of activities: discretionary and legal actions that can be exercised to attempt to remedy issues with an organization that fails to meet the requirements of an incentive program. While each program can be different, issues can be escalated from program-management staff to finance specialists or management; additional discussions with company representatives can occur to help remove obstacles to compliance and remedy problems; and obligations can be declared in default, if necessary.

On a case-by-case basis, the Department's program-management staffs explore all potential avenues for assistance and do everything possible to remedy individual business issues, such as failure to meet program requirements. Appendix G summarizes the triggers and remedial actions that can be taken to bring program-recipients into compliance, should the need arise. There have been some situations in which recipients have been unwilling to work with the Department on a plan to get back on track or were too far beyond the scope of our assistance; however, these are rare. It is common practice to closely monitor and coach businesses to prevent this and make adjustments to their specific requirements if needed. There are some rigid legal standards, more commonly with tax credits, but for the most part program-management staff is able to use discretion in instances of late and missed payments or specific employment requirements before resorting to consequences that are more serious. For example, program staff is able to make accommodations such as restructuring payment plans rather than sending the account to collections.

Because very few incentive recipients' cases are identical, there is some latitude in the processes for assisting companies in meeting program requirements and obligations. The Department is committed to assure recipients of economic-development incentives have the benefit of a full range of applicable remedies in the pursuit of a successful business outcome and strong working relationships.

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

Note: Excludes Biotech Investment Incentive Tax Credit (Appendix B), Research & Development Tax Credit (Appendix C), Employer Security Clearance Costs Tax Credit (Appendix D), and Wineries and Vineyards Tax Credit (Appendix E)

	Recipient	Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
1	Northrop Grumman Systems Corporation	Aerospace, Electronics, or Defense Contract Tax Credit			7,500,000		10,000	Various
2	Benjamin Offit (Offit Advisors)	Buy Maryland Cybersecurity			1,172	2,344		Baltimore County
3	Berman McAleer, LLC	Buy Maryland Cybersecurity			23,653	47,307		Baltimore County
4	BTS Software Solutions	Buy Maryland Cybersecurity			12,040	24,080		Howard
5	Calvert Street Capital Partners, Inc.	Buy Maryland Cybersecurity			3,750	7,500		Baltimore County
6	Central Maryland Chamber of Commerce Inc.	Buy Maryland Cybersecurity			1,344	2,688		Anne Arundel
7	Chesapeake Capital Partners, LLC	Buy Maryland Cybersecurity			18,109	36,217		Howard
8	Cloudwalker Enterprises dba Everett, Benfield Advisors	Buy Maryland Cybersecurity			7,050	14,100		Harford
9	Echo Effect, LLC	Buy Maryland Cybersecurity			6,478	12,956		Baltimore City
10	Ferguson, Schetelich & Ballew, P.A.	Buy Maryland Cybersecurity			25,628	51,255		Baltimore City
11	Hanley and Grason, LLC	Buy Maryland Cybersecurity			1,555	3,111		Baltimore County
12	Hylton & Gonzales	Buy Maryland Cybersecurity			6,550	13,100		Baltimore City
13	Hylton & Gonzales, LLC	Buy Maryland Cybersecurity			13,495	26,990		Baltimore City
14	Maryland Metal Processing ,Inc.	Buy Maryland Cybersecurity			19,792	39,584		Baltimore County
15	Pike & Gilliss, LLC	Buy Maryland Cybersecurity			4,157	8,314		Baltimore County
16	RM Boarding, LLC d/b/a Rivermist Pet Lodge	Buy Maryland Cybersecurity			9,335	18,670		Montgomery

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
17	Root3 Labs, Inc.	Buy Maryland Cybersecurity			7,251	14,502		Baltimore County
18	Summit Business Technologies, LLC	Buy Maryland Cybersecurity			499	998		Anne Arundel
19	Tactical Network Solutions, LLC	Buy Maryland Cybersecurity			37,500	75,000		Howard
20	Timberlake Homes, BT	Buy Maryland Cybersecurity			20,945	41,889		Anne Arundel
21	Tox Path Specialists, LLC	Buy Maryland Cybersecurity			750	1,500		Frederick
22	Tri-County Roofing & Sheet Metal, Inc.	Buy Maryland Cybersecurity			1,750	3,500		Carroll
23	WBH Advisory, Inc.	Buy Maryland Cybersecurity			4,196	8,392		Baltimore County
24	Syncurity Corporation	Cybersecurity Investment Incentive Tax Credit			132,000	264,000		Anne Arundel
25	Walker Engineering Solutions, LLC	Cybersecurity Investment Incentive Tax Credit			298,650	597,300		Montgomery
26	Hood College	E-Nnovation Initiative Program	1,000,000			1,000,000		Frederick
27	Johns Hopkins University (The)	E-Nnovation Initiative Program	800,000			800,000		Baltimore City
28	Maryland Institute College of	E-Nnovation Initiative Program	500,000			500,000		Baltimore City
29	Mount St. Mary's University	E-Nnovation Initiative Program	1,000,000			1,000,000		Frederick
30	Towson University Foundation,	E-Nnovation Initiative Program	500,000			500,000		Baltimore County
31	Univ. of MD College Park Found	E-Nnovation Initiative Program	1,000,000			1,000,000		Prince George's
32	Univ. of MD College Park Foundation	E-Nnovation Initiative Program	714,000			714,000		Prince George's
33	University Of Maryland Baltimore	E-Nnovation Initiative Program	2,986,000			2,986,000		Baltimore City
34	Washington College	E-Nnovation Initiative Program	1,000,000			1,000,000		Kent

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
35	Knight Takes King Productions, LLC / House of Cards (Season 6)	Film Production Activity Tax Credit			7,200,000	68,002,806		Harford
36	Applied Development	Hire Our Veterans Tax Credit			1,800		1	Baltimore City
37	Valiant Harbor International, LLC	Hire Our Veterans Tax Credit			3,600		2	Montgomery
38	Miltec Corporation	Job Creation Tax Credit			55,000		11	Queen Anne's
39	Strouse	Job Creation Tax Credit			39,000		13	Carroll
40	Tidewater Direct, LLC	Job Creation Tax Credit			42,000		14	Queen Anne's
41	Tulkoff Foods	Job Creation Tax Credit			80,000		16	Baltimore City
42	Fresh Ideation Food Group, LLC	Job Creation Tax Credit			125,000		25	Baltimore City
43	D. Wheatley Enterprises, Inc.	Job Creation Tax Credit			140,000		28	Harford
44	Plastipak Packaging, Inc.	Job Creation Tax Credit			140,000		28	Harford
45	Credible Behavioral Health, Inc.	Job Creation Tax Credit			145,000		29	Montgomery
46	Beitzel Corporation	Job Creation Tax Credit			165,000		33	Garrett
47	Stratus Solutions, Inc.	Job Creation Tax Credit			99,000		33	Howard
48	Jubilant Cadista Pharmaceuticals, Inc.	Job Creation Tax Credit			230,000		46	Wicomico
49	Bob's Discount Furniture	Job Creation Tax Credit			270,000		54	Harford
50	ZeniMax Media, Inc.	Job Creation Tax Credit			611,000		135	Montgomery
51	KeyW	Job Creation Tax Credit			408,000		136	Anne Arundel
52	Bottling Group, LLC dba Pepsi	MEDAAF-2 Cond. Grant	500,000			35,000,000	251	Harford
53	HMSHost Corporation	MEDAAF-2 Cond. Grant	1,200,000			5,000,000	390	Montgomery
54	Under Armour, Inc.	MEDAAF-2 Cond. Grant	2,000,000			174,000,000	800	Baltimore City
55	Fabricated Extrusion Company	MEDAAF-2 Cond. Loan	166,667			5,000,000	50	Washington
56	Union Craft Brewing Company, L	MEDAAF-2 Cond. Loan	300,000			8,500,000	115	Baltimore City
57	Panera, LLC	MEDAAF-2 Cond. Loan	200,000			8,000,000	120	Howard
58	Crystal Steel Fabricators, Inc	MEDAAF-2 Cond. Loan	315,000			4,000,000	126	Caroline
59	Knorr Brake Corporation	MEDAAF-2 Cond. Loan	700,000			1,600,000	480	Carroll
60	Abt Associates Inc.	MEDAAF-2 Cond. Loan	750,000			19,000,000	500	Montgomery
61	Amazon.com.dedc LLC	MEDAAF-2 Cond. Loan	2,000,000			225,000,000	4,800	Baltimore County

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
62	Maryland Theatre	MEDAAF-5 Loan	2,000,000			13,277,000		Washington
63	Maritime Applied Physics Corpo	MIDFA Conventional Insurance	1,900,000	950,000		2,000,000	55	Baltimore City
64	National Aquarium of Baltimore	MIDFA Tax Exempt Bonds		32,609,000		34,666,000		Baltimore City
65	McDonogh School, Inc.	MIDFA Tax Exempt Bonds		20,000,000		17,000,000	253	Baltimore County
66	Grimmer Technology & Operation	Military/Disabled Veterans	50,000			50,000	30	Howard
67	JCM Control Systems, Inc.	MSBDFA Contract Financing Direct	200,000			1,527,000	15	Baltimore City
68	Williams Consulting LLC	MSBDFA EIP Other Small Business	350,000					Baltimore County
69	Domesticity, LLC and Real Crea	MSBDFA EIP Other Small Business	300,000			335,000	2	Baltimore City
70	Magothy Payments, Inc.	MSBDFA EIP Other Small Business	70,000			100,000	2	Anne Arundel
71	J. Marshall & Associates, LLC	MSBDFA EIP Other Small Business	500,000			733,000	5	Prince George's
72	Precise Telehealth, Inc.	MSBDFA EIP Other Small Business	250,000			850,000	6	Baltimore County
73	Alli Rudell, LLC dba Log Cabin Candies	MSBDFA EIP Other Small Business	300,000			550,000	7	Harford
74	Sweet Spice Bake Shop, LLC	MSBDFA EIP Other Small Business	90,000			90,000	7	Cecil
75	C&M Construction and Renovatio	MSBDFA EIP Other Small Business	100,000			100,000	12	Allegany
76	C2 Contracting Company LLC, Th	MSBDFA EIP Other Small Business	200,000			200,000	12	Montgomery
77	JesseJay's, LLC	MSBDFA EIP Other Small Business	450,000			865,000	12	Anne Arundel
78	Strum Contracting, Co., Inc.	MSBDFA EIP Other Small Business	250,000			250,000	23	Baltimore City

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
79	Inheritance Child Care Center,	MSBDFA EIP/ Other Small Business	1,000,000			1,100,000	35	Baltimore City
80	Precise Telehealth, Inc.	MSBDFA EIP/InvestMD LLC	200,000					Baltimore County
81	The Magruder Project Inc. dba	MSBDFA EIP/InvestMD LLC	250,000			750,000	5	Montgomery
82	DuMore Sports, Inc.	MSBDFA EIP/InvestMD LLC	400,000			400,000	6	Baltimore County
83	TransitioningU	MSBDFA EIP/InvestMD LLC	200,000			700,000	8	Baltimore City
84	AlphaHill, LLC	MSBDFA Guaranty Fund	300,000	195,000				Montgomery
85	New City Construction, LLC	MSBDFA Guaranty Fund	75,000	60,000		75,000		Howard
86	Hakim's Islamic Funeral Home,	MSBDFA Guaranty Fund	120,000	90,000		125,000	1	Baltimore County
87	Bloosurf, LLC	MSBDFA Guaranty Fund	428,019	342,415		428,018	7	Wicomico
88	204 Baltimore Pike & Int' Cosm	MSBDFA Guaranty Fund	2,035,900	1,221,540		4,041,600	10	Harford
89	Physical and Sports Rehab, Inc	MSBDFA Guaranty Fund	324,000	162,000		334,000	15	Prince George's
90	Adventure Theatre, Inc.	Non-Profit Interest Free Micro Bridge Loan	25,000			25,000		Montgomery
91	Delmarva Community Services, I	Non-Profit Interest Free Micro Bridge Loan	25,000			25,000		Multiple
92	Generations Family Services, I	Non-Profit Interest Free Micro Bridge Loan	25,000			25,000		Baltimore City
93	Historic Sotterly, Inc	Non-Profit Interest Free Micro Bridge Loan	25,000			25,000		St. Mary's
94	Mental Health Association of F	Non-Profit Interest Free Micro Bridge Loan	25,000			25,000		Frederick
95	Taylor Wellness Center, Inc.	Non-Profit Interest Free Micro Bridge Loan	25,000			25,000		Baltimore County
96	The Nonprofit Village Center,	Non-Profit Interest Free Micro Bridge Loan	25,000			25,000		Montgomery
97	Groove Commerce, LLC	One Maryland Tax Credit			563,448	563,448	19	Baltimore City

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
98	Choptank Transport, Inc.	One Maryland Tax Credit			2,428,655	2,428,655	59	Caroline
99	Marva Maid Landover Operation	Partnership for Workforce Quality	1,288			2,575		Howard
100	Maryland World Class Manufactu	Partnership for Workforce Quality	100,000			200,000		Various
101	Midpoint Technology Group, LLC	Partnership for Workforce Quality	13,500			27,000		Howard
102	Mobtown Fermentation, LLC	Partnership for Workforce Quality	3,376			6,752		Baltimore City
103	Netzer Metalcraft Inc.	Partnership for Workforce Quality	80,000			160,000		Baltimore City
104	Northrop Grumman Innovation Sy	Partnership for Workforce Quality	200,000			400,000		Multiple
105	Paul Reed Smith Guitars, Limit	Partnership for Workforce Quality	39,000			78,000		Queen Anne's
106	Phoenix Mecano, Inc	Partnership for Workforce Quality	6,000			12,000		Frederick
107	TDR Systems, Inc. and Chutes I	Partnership for Workforce Quality	21,400			42,800		Charles
108	Tri State Printing, Inc	Partnership for Workforce Quality	4,463			8,525	2	Washington
109	Marlin Steel Wire Products, LL	Partnership for Workforce Quality	23,543			47,086	3	Baltimore City
110	Wright Manufacturing, Inc.	Partnership for Workforce Quality	18,500			37,000	3	Frederick
111	DrFirst.com, Inc.	Partnership for Workforce Quality	15,210			30,420	10	Montgomery
112	Aerospace & Technology Metalwo	Partnership for Workforce Quality	8,343			16,685	14	Baltimore County
113	Ring Container Technologies, L	Partnership for Workforce Quality	27,036			54,072	18	Washington
114	Naiad Dynamics US, Inc.	Partnership for Workforce Quality	4,071			8,142	19	St. Mary's

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

		Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
Recipient	Program						
115 Holcim (US) Inc./Hagerstown MD	Partnership for Workforce Quality	47,000			94,000	20	Washington
116 Metro Laundry Service II, LLC	Partnership for Workforce Quality	32,843			65,685	20	Howard
117 AL-Tech Associates	Partnership for Workforce Quality	40,500			81,000	25	Howard
118 Datawatch Systems, Inc.	Partnership for Workforce Quality	17,875			35,750	25	Montgomery
119 Waco Products, Inc.	Partnership for Workforce Quality	4,600			9,200	27	Baltimore County
120 MainSpring, Inc.	Partnership for Workforce Quality	15,490			30,979	28	Frederick
121 HI Innovation LLC	Partnership for Workforce Quality	8,843			17,686	34	Frederick
122 Practical Technologies, Inc.	Partnership for Workforce Quality	12,860			25,720	45	Baltimore County
123 Mistral, Inc.	Partnership for Workforce Quality	63,875			127,750	50	Baltimore County
124 Kelly Generator & Equipment, I	Partnership for Workforce Quality	12,150			24,300	80	Calvert
125 03 Technologies, LLC	Partnership for Workforce Quality	17,843			35,686	105	Prince George's
126 Gamse Lithographing Co.	Partnership for Workforce Quality	30,000			60,000	144	Baltimore County
127 Chags Health Information Techn	Partnership for Workforce Quality	50,000			100,000	157	Baltimore County
128 Hub Labels Inc	Partnership for Workforce Quality	12,846			25,693	194	Washington
129 Bardon, Inc	Partnership for Workforce Quality	7,300			14,600	418	Various
130 Dixon Valve & Coupling Company	Partnership for Workforce Quality	59,500			119,000	558	Kent

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

Recipient		Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
131	Nestle Dreyer's Ice Cream Comp	Partnership for Workforce Quality	61,393			61,393	855	Howard
132	Marriott International, Inc.	Sunny Day Cond. Loan	5,000,000			5,000,000	3,250	Montgomery
133	Melluna, LLC	VLT/Anne Arundel Economic Development Corporation	45,000			522,732	2	Howard
134	Pure Board Shop, LLC	VLT/Anne Arundel Economic Development Corporation	200,000			100,000	2	Anne Arundel
135	Red Lotus Float Spa, Inc.	VLT/Anne Arundel Economic Development Corporation	265,000			65,000	2	Anne Arundel
136	Sweet Eden Bakeshop, LLC	VLT/Anne Arundel Economic Development Corporation	200,000			25,000	4	Anne Arundel
137	Himmel's Landscape and Garden Center, Inc.	VLT/Anne Arundel Economic Development Corporation	250,000			100,000	10	Anne Arundel
138	JesseJay's Company	VLT/Anne Arundel Economic Development Corporation	270,000			595,000	10	Anne Arundel
139	KG Truck & Auto, Inc.	VLT/Anne Arundel Economic Development Corporation	320,000			1,733,177	10	Anne Arundel
140	Foreman Pro Cleaning, LLC	VLT/Anne Arundel Economic Development Corporation	50,000				15	Anne Arundel
141	Practicalati Kids, Inc.	VLT/Anne Arundel Economic Development Corporation	54,000				15	Howard
142	Joy Kids Learning Center, LLC	VLT/Anne Arundel Economic Development Corporation	185,000			41,422	24	Anne Arundel
143	LKD, LLC dba Tropical Smoothie Cafe	VLT/Anne Arundel Economic Development Corporation	350,000			87,000	27	Prince George's
144	Genesis Corporation	VLT/Baltimore County	250,000			1,300,000	40	Baltimore County
145	Wohlleben, LLC d/b/a Zips Dry Cleaners	VLT/Baltimore Development Corporation	100,000			677,000		Baltimore County
146	1525 York, LLC	VLT/Baltimore Development Corporation	30,000			474,000	1	Baltimore County

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

Recipient		Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
147	Petrafab	VLT/Baltimore Development Corporation	74,000				2	Baltimore City
148	Coffeecade, LLC	VLT/Baltimore Development Corporation	150,000			291,637	8	Anne Arundel
149	Milk & Honey, LLC	VLT/Baltimore Development Corporation	150,000			420,000	12	Baltimore City
150	Ministry of Brewing, LLC	VLT/Baltimore Development Corporation	300,000			2,136,156	13	Baltimore City
151	Women Kids& Teens Afterhours LLC	VLT/Howard County Economic Development Authority	26,000				3	Montgomery
152	rfid Collect LLC	VLT/Howard County Economic Development Authority	75,000			145,000	4	Howard
153	Cool Air Products, LLC	VLT/Howard County Economic Development Authority	120,000				5	Howard
154	ONS Computer & IT Solutions d/b/a/ Team Logic IT of Baltimore & BWI,MD	VLT/Howard County Economic Development Authority	50,000				5	Howard
155	Los Taxes Franchise Corp	VLT/Howard County Economic Development Authority	125,000			65,000	7	Montgomery
156	Bennet Communications Columbia LLC	VLT/Howard County Economic Development Authority	481,375				10	Howard
157	Data Canopy Colocation LLC	VLT/Howard County Economic Development Authority	250,000				14	Howard
158	Washington Laboratories	VLT/Howard County Economic Development Authority	200,000			25,000	15	Montgomery
159	TeamWorx Security LLC	VLT/Howard County Economic Development Authority	570,000				23	Howard
160	Intralytix	VLT/Howard County Economic Development Authority	500,000				29	Baltimore City
161	Infotek Corp	VLT/Howard County Economic Development Authority	300,000				91	Howard
162	Vheda Health	VLT/Howard County Economic Development Authority	250,000			1,650,000	162	Howard

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

Recipient		Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
163	Draginn	VLT/Maryland Capital Enterprises	3,000				1	Baltimore City
164	Angela B. Assadi, LLC	VLT/Maryland Capital Enterprises	70,000				2	Wicomico
165	EZ Group, LLC	VLT/Maryland Capital Enterprises	42,000				2	Baltimore City
166	Hillee Transportation	VLT/Maryland Capital Enterprises	3,764				2	Baltimore County
167	LMS Trucking, LLC	VLT/Maryland Capital Enterprises	60,000				2	Anne Arundel
168	Madison Avenue Boutique	VLT/Maryland Capital Enterprises	25,000				2	Worcester
169	Reeven's Auto Service, LLC	VLT/Maryland Capital Enterprises	60,000				2	Wicomico
170	RJ & A Transportation, LLC	VLT/Maryland Capital Enterprises	45,000				2	Wicomico
171	Shamrock Hospitality Group, LLC dba Mogan's Oyster House	VLT/Maryland Capital Enterprises	50,000				2	Wicomico
172	Universal Logistics, LLC	VLT/Maryland Capital Enterprises	40,000				2	Anne Arundel
173	Simply Sublime Massage & Bodyworks, LLC	VLT/Maryland Capital Enterprises	75,000				3	Worcester
174	Jump Quick Ventures, LLC dba Amazing Spiral Comics & Games	VLT/Maryland Capital Enterprises	50,000				4	Baltimore City
175	Unique Styles Custom Home Builders, LLC	VLT/Maryland Capital Enterprises	50,000				4	Wicomico
176	George E. Young III, P.C.	VLT/Maryland Capital Enterprises	100,000				8	Worcester
177	Sub C Tech	VLT/Maryland Capital Enterprises	50,000				9	Wicomico
178	Absolute Plumbing and Heating, Inc.	VLT/Maryland Capital Enterprises	50,000				12	Somerset

Appendix A: FY 2019 Commerce Finance Tracker Incentives Report

	Recipient	Program	Approved Loan Amount	Loan Guarantees and bond issuances	Tax Credit Amount	Project Costs	Total Jobs	Primary County
179	SoFine Food LLC dba Dress It Up Dressing	VLT/Meridian Management Group, Inc.	250,000			175,000	8	Montgomery
180	Mrs. Rodgers Neighborhood Learning Center, LLC	VLT/Meridian Management Group, Inc.	35,000			717,300	11	Baltimore County
181	DVJ Enterprises, Inc. and Lilypond, LLC dba The Tannery Barn	VLT/Meridian Management Group, Inc.	400,000			400,000	17	Baltimore County
182	Unique Ironworks & Development, LLC	VLT/Meridian Management Group, Inc.	270,000				18	Prince George's
183	Consolidated Services, Inc.	VLT/Meridian Management Group, Inc.	310,000				23	Harford
184	AvDyne Aero Services, LLC	VLT/Meridian Management Group, Inc.	200,000				35	Anne Arundel
185	THE SANDY BOTTOM ENTERPRISES, LLC	VLT/T/A Fsc First	41,000					Baltimore County
186	1441 McCormick Dr. LLC	VLT/T/A Fsc First	275,000			4,920,000	22	Prince George's
187	21st Century Expo Group	VLT/T/A Fsc First	250,000				28	Prince George's
188	Marc Dinola DDS	VLT/Tri-County Council for Western Maryland	300,000				5	Allegany
189	Deep Creek Dough Boy, LLC	VLT/Tri-County Council for Western Maryland	477,000			53,000	920	Garrett

Appendix B: Biotechnology Investment Incentive Tax Credits Certified in FY 2019999

QMBC		QMBC County	APROVED FINAL TAX CREDIT CERTIFICATES (\$)
1	20/20 Genesystems Inc.	Montgomery	988,008
2	Akonni Biosystems, Inc.	Frederick	410,536
3	American Gene Technologies International Inc.	Anne Arundel	1,000,000
4	Avidea Technologies, Inc.	Baltimore city	174,991
5	BioFactura, Inc.	Frederick	925,003
6	Cellphire, Inc.	Montgomery	1,331,191
7	Clear Guide Medical, Inc.	Baltimore City	500,000
8	CoapTech LLC	Baltimore City	155,000
9	CoolTech LLC	Baltimore City	1,505,000
10	Creatv MicroTech, Inc.	Montgomery	12,500
11	DxNow, Inc.	Montgomery	342,500
12	gel-e, Inc.	Prince George's	387,000
13	HeMemics Biotechnologies, Inc.	Montgomery	125,000
14	Ibex Biosciences, LLC	Allegany	1,800,000
15	LifeSprout, Inc.	Baltimore City	200,000
16	NextStep Robotics, Inc.	Baltimore City	62,500
17	Osteovantage, Inc.	Anne Arundel	50,000
18	Otomagnetics, LLC	Montgomery	130,000
19	Surgisense Corporation	Montgomery	250,000
20	Vasoptic Medical Inc.	Baltimore City	87,500
21	Vizuri Health Sciences	Baltimore	1,000,000
22	Xcision Medical Systems, LLC	Howard	622,300
23	xMD Diagnostics, LLC	Baltimore	249,998
Total			\$12,309,027

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
1	AAI Corporation	45,460	0	45,460
2	AC Distributing, Inc.	228	1,662	1,890
3	Acer Exhibits & Events, LLC	8,813	23,470	32,284
4	Action Elevator Company, Inc.	1,158	8,464	9,622
5	Action Systems, Inc.	3,729	0	3,729
6	Ad Hoc, LLC	1,814	9,088	10,903
7	Advanced Biotechnologies, Inc.	409	0	409
8	Advanced Technology & Research Corporation	447	1,247	1,694
9	Ainet Holdings, LLC	2,586	892	3,478
10	Allan Myers, Inc.	4,550	23,157	27,708
11	Amalgam RX, Inc.	0	3,365	3,365
12	Amcor Packaging (USA), Inc.	843	14,004	14,846
13	American Woodmark Corporation	98	0	98
14	Amero Foods Manufactruing Corporation	1,832	0	1,832
15	Amero Foods Manufacturing Corporation	878	0	878
16	Amgen, Inc.	26,263	0	26,263
17	Amick Farms, LLC	4,099	0	4,099
18	Andritz (USA) Inc. and Subsidiaries	4,894	1,247	6,141
19	Angelena G. Lienert and Daniel M. Lienert	814	1,611	2,425
20	AnGes USA, Inc.	1,231	3,006	4,237
21	Anthem Engineering, LLC	2	121	124
22	Arcadis US, Inc.	7,841	0	7,841
23	Arcellx, Inc.	3,355	4,744	8,099
24	ARMR SYSTEMS, LLC	0	629	629
25	Ascellon Corporation	663	0	663
26	AstraZeneca Pharmaceuticals, LP	208,475	1,129,918	1,338,392
27	AT&T Inc. and Subsidiaries	19,141	0	19,141
28	Athena Environmental Sciences, Inc. `	88	336	424
29	ATI Performance Products, Inc.	2,908	2,439	5,347
30	Audacious Inquiry, LLC	3,746	11,216	14,963
31	Audubon Engineering Company, LLC	607	8,405	9,013
32	Automated Precision, Inc.	6,897	9,711	16,609
33	Autoscribe Corporation	2,734	635	3,369
34	Availink (US), Inc.	4,954	0	4,954

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
35	Axom Technologies, LLC	12,164	36,447	48,610
36	BackInTheBlack, LLC	1,734	3,462	5,196
37	Beatty Harvey Coco Architects, LLP	1,993	0	1,993
38	Becton, Dickinson and Company	157,726	163,159	320,885
39	Bentley Systems, Incorporated	1,797	0	1,797
40	Berry Global Group, Inc.	8,153	688	8,841
41	Big Huge Games, Inc.	5,934	36,817	42,751
42	Biofactura, Inc.	1,002	2,207	3,210
43	Boland Trane Services, Inc.	5,919	82	6,001
44	Booz Allen Hamilton Holding Corp & Subs	11,962	0	11,962
45	Bright MLS, Inc.	5,143	14,750	19,893
46	Brinkbit, Inc.	63	543	606
47	BTE Holdings, Inc.	2,417	1,321	3,738
48	Builders FirstSource Inc.	1,074	12,344	13,418
49	Burdette, Koehler, Murphy & Associates, Inc.	7,968	0	7,968
50	Burdette, Koehler, Murphy & Associates, Inc.	1,610	0	1,610
51	Business Integra Technology Solutions inc	89	574	662
52	Cadmium CD, LLC	2,576	3,751	6,326
53	Canam Steel Corporation	13,254	0	13,254
54	Cathedral Stone Products, Inc	0	2,234	2,234
55	Cellular Biomedicine Group, Inc.	645	11,884	12,529
56	Cerecor, Inc.	5,532	0	5,532
57	Cetrom Information Technology, Inc	1,975	5,029	7,004
58	CFR Engineering Consultants Inc.	3,688	693	4,381
59	CGI Group Holdings USA Inc. and Subsidiaries	18,094	23,493	41,587
60	CheckFree Services Corporation	6,776	210	6,986
61	ci Design Inc.	811	3,128	3,939
62	CISCO Systems, Inc.	99,862	175,847	275,708
63	Clean Earth, Inc.	456	2,845	3,300
64	Cleara, LLC	0	889	889
65	Clearedge IT Solutions, LLC	25,373	0	25,373
66	Clene Nanomedicine, Inc.	2,431	0	2,431
67	Cobham Holdings (US), Inc.	2,531	0	2,531

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
68	Cognizant Technology Solutions US Corporation	27,946	0	27,946
69	Colonial Metals, Inc.	12,550	4,720	17,270
70	Columbia Manufacturing Corporation	1,091	628	1,719
71	Communication Partners International LLC	1,680	0	1,680
72	Compass Analytics, LLC	1,095	1,367	2,462
73	Conduent State & Local Solutions, Inc.	22,076	0	22,076
74	Connections Education, Inc.	13,283	0	13,283
75	Consortium Health Plans, Inc.	1,864	18,251	20,115
76	Coresphere, LLC	2,055	3,731	5,786
77	Creative Software Solutions, LLC	507	1,865	2,372
78	Credence Management Solutions, LLC	833	3,244	4,077
79	Cristal USA Inc	26,315	0	26,315
80	Cryptonite LLC	1,870	7,783	9,653
81	Cybrary, Inc.	0	14,863	14,863
82	Cytec Engineered Materials, Inc.	5,592	0	5,592
83	Daft-McCune-Walker, Inc.	4,725	3,565	8,290
84	Dassault Systemes Americas Corporation	24	1,571	1,595
85	DataDirect Networks, Inc.	11,676	0	11,676
86	Datawatch Systems, Inc	8,359	0	8,359
87	Decision Software, Inc.	3,440	1,776	5,216
88	Descartes US Holdings, Inc. DBA Descartes Systems (USA) LLC	509	6,034	6,543
89	DfR Solutions, LLC	826	2,027	2,853
90	Digital Receiver Technology, Inc.	19,101	0	19,101
91	Discovery Communications Holding, LLC	25,038	78,674	103,712
92	Disys Solutions, Inc.	761	3,572	4,333
93	Dixie Construction Company, Inc.	3,187	6,189	9,376
94	dlhBOWLES, Inc.	6,193	0	6,193
95	DSM Pharmaceuticals, Inc.	17,512	0	17,512
96	DVCC, Inc. and Subsidiaries	4,552	3,048	7,601
97	Eastcor Engineering, LLC	61	0	61
98	Eastman Specialties Corporation	3,745	0	3,745
99	eBay Inc.	276	2,575	2,851
100	Ecotone, Inc.	3,589	12,934	16,523

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
101	Ecrion Software, Inc.	1,425	2,327	3,752
102	EDCLUB, Inc.	1,854	4,169	6,023
103	Eli Lilly and Company	45,862	127,032	172,893
104	Ellicott Dredge Enterprises, LLC	7,095	59,486	66,581
105	E-Merge Systems, Inc	349	0	349
106	Emergent Biosolutions, Inc. and Subsidiaries	31,013	0	31,013
107	Engineering Design Technologies, Inc.	0	1,303	1,303
108	Ennis Electric Company, Inc.	1,103	499	1,602
109	Enterprise Electric, LLC	3,448	972	4,420
110	Equipment Development Co, Inc.	227	467	694
111	Eurotech, Inc.	2,379	0	2,379
112	Evapco, Inc.	30,815	57,753	88,568
113	FCI Holding, Inc.	1,778	935	2,713
114	FD Neurotechnologies Consulting and Service, Inc.	1,229	306	1,535
115	FedCentric Technologies, LLC	1,170	1,043	2,214
116	FII-Tec, Inc.	1,069	0	1,069
117	Fina BioSolutions, LLC	1,016	174	1,190
118	Firaxis Games, Inc.	39,123	39,011	78,134
119	First Finish, Inc.	1,159	1,487	2,646
120	Flowrox, Inc	1,449	1,726	3,175
121	Fort, LP	4,375	16,994	21,369
122	FR Convrnsions Inc.	1,562	892	2,454
123	Fugue, Inc.	1,866	16,034	17,900
124	G2, Inc.	1,631	10,593	12,224
125	G3 Technologies, Inc.	18,722	74,010	92,732
126	Gable Signs and Graphics, Inc.	3,444	5,389	8,833
127	Garud Technology Services, Inc.	113	2,382	2,495
128	General Dynamics Land Systems, Inc.	4,366	2,380	6,746
129	General Dynamics Mission Systems, Inc.	991	0	991
130	Geon Technologies, LLC	0	4,371	4,371
131	Gliknik, Inc.	4,491	0	4,491
132	Gold Crust Baking Company, Inc.	5,207	11,708	16,915
133	Gray & Son, Inc.	5,918	4,597	10,516
134	Greeley and Hansen, LLC	642	0	642
135	Grier Forensics, LLC	446	2,554	3,000

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
136	Grunley Construction Company, Inc.	2,434	9,045	11,479
137	GTM Architects, Inc.	4,691	0	4,691
138	Hargrove Acquisition, Inc.	12,461	23,820	36,282
139	HBP, Inc.	779	1,585	2,364
140	Henry Adams, LLC	716	4,319	5,035
141	Herrick Technology Laboratories, Inc.	8,529	15,027	23,556
142	HighPoint Global, LLC	4,160	12,208	16,369
143	Highrise Consulting, Inc.	14,596	23,823	38,420
144	Honeywell International, Inc.	537	8,827	9,364
145	Hughes Network Systems, LLC	260,986	0	260,986
146	HUNT A KILLER LLC	46	1,582	1,627
147	Hyperwave Technologies, LLC	296	147	443
148	IHI Kiewit Cove Point, A Joint Venture	5,576	60,660	66,237
149	Immunomic Therapeutics, Inc.	4,431	11,849	16,279
150	Immuta, Inc.	1,352	11,643	12,995
151	Incyte Corporation	3,158	2,313	5,472
152	Independent Security Evaluators, LLC	1,066	2,038	3,104
153	Ingredion Incorporated	6,479	17,271	23,750
154	Innovative Technologies Group & Co.	278	0	278
155	Inovalon, Inc.	19,961	16,222	36,182
156	Integral Consulting Services, Inc.	236	4,075	4,311
157	Intelligent Automation, Inc.	15,995	33,770	49,765
158	Intelligent Devices, Inc.	1,355	1,804	3,159
159	Intelligrated Systems, LLC	8,540	0	8,540
160	International Business Machines Corporation	13,025	48,036	61,061
161	Internet Testing Systems, LLC	7,880	1,497	9,377
162	Interstate Resources, Inc.	10,183	0	10,183
163	IonQ, Inc.	0	37,991	37,991
164	IP Subsea LLC	0	3,333	3,333
165	IQ Solutions, Inc.	3,515	0	3,515
166	ITEGRITY, Inc.	702	209	910
167	J.F. Taylor, Inc.	15,789	23,574	39,363
168	JACS Solutions, LLC	1,582	11,790	13,371
169	JASINT Consulting and Technologies, LLC	118	1,675	1,793
170	Javelina Software, LLC	608	0	608
171	JDA Software Inc	11,593	6,998	18,591

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
172	JLG Industries, Inc.	28,827	0	28,827
173	JoeTap, Inc.	175	361	536
174	John Hagopian DBA Lambda Consulting	0	1,418	1,418
175	Johnson Controls, Inc.	4,759	12,092	16,851
176	Kaydon Ring & Seal, Inc.	1,466	3,648	5,114
177	Kirlin Industries, LLC	10,190	0	10,190
178	Kratos Technology & Training Solutions, Inc.	5,991	0	5,991
179	L3 Technologies, Inc.	3,500	0	3,500
180	Lars Energy, LLC	15	342	357
181	Leadiant Biosciences, Inc. & Subsidiaries	8,877	5,069	13,945
182	Leak Detection Services, Inc.	0	1,722	1,722
183	Leidos, Inc.	21,330	22,433	43,763
184	Leidos, Inc.	11,299	0	11,299
185	LG Group, Inc. (FKA L.G., Inc.)	1,341	3,264	4,605
186	Localist Corporation	1,069	1,035	2,104
187	Lockheed Martin Corporation	49,930	0	49,930
188	Lurn, Inc.	149	0	149
189	Machfu, Inc.	124	1,491	1,615
190	Mack Trucks, Inc.	83,848	63,644	147,492
191	MacroGenics, Inc.	153,102	488,193	641,295
192	Manns Woodward Studios, Inc.	3,655	9,599	13,253
193	Marvell Semiconductor, Inc.	735	0	735
194	Maryland Paving, Inc.	2,454	0	2,454
195	Matthew Warren, Inc	647	0	647
196	McCormick & Company, Inc.	165,078	190,757	355,835
197	McCrea Equipment Company, Inc.	2,745	3,498	6,243
198	MedImmune, LLC	909,488	565,555	1,475,043
199	Meso Scale Diagnostics LLC	47,028	88,466	135,494
200	MF Fire, Inc.	266	5,886	6,152
201	Miltec Corporation	3,141	3,189	6,330
202	Mindgrub Technologies LLC	941	961	1,902
203	MJ Management Services, LLC	3,562	4,411	7,973
204	Mohawk Games, LLC	1,616	3,296	4,912
205	Morningstar PV Controllers Group, AKA Morningstar Corporation	1,623	3,545	5,167

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
206 MOS Creative, Inc.	256	569	824
207 MPB Commodities, Inc.	313	5,602	5,914
208 MPI Labels of Baltimore, Inc.	922	0	922
209 National Jet Company, Inc.	2,060	119	2,179
210 Ncyber Holdings, LLC (FKA Ncyber LLC)	1,059	2,639	3,698
211 Neoimmunetech, Inc.	1,125	6,934	8,059
212 NetComm, Inc.	2,908	0	2,908
213 Netorian Limited Liability Company	369	13	383
214 New Wave Telecom and Technologies, Inc.	1,383	10,660	12,043
215 NexGen Forensic Sciences, Inc.	0	1,136	1,136
216 Next Day Blinds Corporation	613	3,202	3,814
217 Next In Line, Inc.	0	2,137	2,137
218 NextCure, Inc.	2,122	74,050	76,172
219 NextStep Robotics, Inc	0	778	778
220 Nicholson Construction Company	132	1,944	2,076
221 NICUSA, Inc - Maryland Division	2,281	5,808	8,089
222 Nokia of America Corporation	2,393	17,641	20,034
223 North American Wave Engine Co.	27	1,665	1,692
224 Northrop Grumman Systems Corporation	863,477	273,086	1,136,563
225 Novo Nordisk Inc.	3,983	10,270	14,253
226 Nutramax Laboratories, Inc.	1,733	0	1,733
227 Nutramax Manufacturing, Inc.	320	0	320
228 NuVasive, Inc.	826	758	1,584
229 Orbit Logic Incorporated	87	0	87
230 Orbital ATK, Inc.	35,025	0	35,025
231 OriGene Technologies, Inc.	6,491	8,170	14,662
232 Origin Wireless, Inc.	1,453	3,244	4,697
233 Oshkosh Corporation	577	11,779	12,356
234 Osiris Therapeutics, Inc.	7,584	0	7,584
235 Otsuka America, Inc. & Subsidiaries	26,526	0	26,526
236 Pall Filtration & Separations Group, Inc.	2,207	9,255	11,462
237 Paramount Die Company, Inc.	4,333	5,118	9,451
238 Patton Electronics Company	5,000	0	5,000
239 PayPal Holdings, Inc. & Subsidiaries	55,056	162,548	217,603
240 Peregrin Service Corp.	226	0	226

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
241	Peter Kiewit Sons', Inc.	305	1,060	1,365
242	Pfizer Inc & Subsidiaries	42,853	0	42,853
243	Pharmaceutics International, Inc.	6,642	0	6,642
244	Phoenix Operations Group, LLC	0	467	467
245	Pinkaloo Technologies, LLC	0	417	417
246	Pinnacle Foods, Inc. and Subsidiaries	258	0	258
247	Pitney Bowes Software, Inc.	4,988	5,756	10,744
248	Plant Vax, Inc.	1,399	0	1,399
249	Plastipak Packaging, Inc.	67	0	67
250	Plex Solutions, LLC	5,111	31,257	36,368
251	Powertrain, Inc.	5,632	12,987	18,619
252	Pritchard Brown, LLC	3,099	697	3,796
253	Pritchett Controls Inc	7,070	8,636	15,706
254	Profectus Biosciences, Inc.	1,758	0	1,758
255	Progeny Systems Corporation	666	586	1,252
256	Prometric, Inc	4,390	0	4,390
257	Propagenix, Inc.	1,725	6,601	8,325
258	Proscia Inc.	73	1,955	2,028
259	Protech Associates Inc.	2,750	0	2,750
260	Provention Bio, Inc.	0	3,579	3,579
261	Qiagen North American Holdings, Inc	31,549	25,829	57,378
262	Quotient, Inc.	3,903	4,092	7,995
263	R&R Mechanical Contractors, Inc.	4,204	4,355	8,559
264	RAD ELEC, Inc.	227	1,567	1,794
265	Ray Enterprises of Chesapeake Walk, Inc.	5,603	6,078	11,681
266	Ready Robotics Corporation	826	11,645	12,471
267	Real Magnet, LLC	7,991	3,462	11,453
268	Red Bag Solutions, Inc.	71	0	71
269	Red Hat, Inc.	2,485	236	2,721
270	Red Hawk, LLC	689	199	888
271	ReFirm Labs, Inc.	0	3,410	3,410
272	Restorative Therapies, Inc	1,900	4,008	5,907
273	RightEye, LLC	1,194	3,000	4,193
274	Riverbed Technology, Inc.	14,830	0	14,830
275	Robotic Research, LLC	4,852	22,055	26,907
276	Rockwell Collins Inc. & Subsidiaries	53,149	41,476	94,625
277	RPM International, Inc.	7,432	16,950	24,382

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
278 Rummel, Klepper & Kahl, LLP	25,527	0	25,527
279 Saft America, Inc.	25,494	39,646	65,140
280 Savantage Financial Services, Inc.	5,519	0	5,519
281 Schuster Intermediate Holdings LLC	8,270	9,274	17,544
282 Science Applications International Corporation	7,912	0	7,912
283 Secom, LLC	731	1,594	2,326
284 Segami Corporation	3,192	0	3,192
285 Shah & Associates, Inc.	3,696	8,263	11,959
286 Sierra Nevada Corporation	3,175	0	3,175
287 Simple Cell, Inc.	1,256	1,173	2,429
288 Singleton Electric Co., Inc.	3,723	0	3,723
289 Smart Imaging Systems, Inc	411	0	411
290 SNAP, Inc.	2,783	1,104	3,887
291 Social Toaster, Inc.	1,364	0	1,364
292 Sol Vista, LLC	349	1,385	1,734
293 Sparksoft Corporation	171	3,657	3,828
294 Spirent Communications, Inc.	14,347	0	14,347
295 Stanley Black & Decker, Inc.	113,195	52,727	165,922
296 Stantec Consulting Services, Inc.	1,215	7,245	8,460
297 STAYNTOUCH, Inc.	2,720	10,066	12,786
298 Steel Point Solutions LLC	63	0	63
299 Straighterline, Inc.	836	3,316	4,151
300 Stratus Solutions, Inc	5,073	32,370	37,444
301 Stulz Air Technology Systems, Inc.	2,072	0	2,072
302 Supernus Pharmaceuticals, Inc.	30,738	31,722	62,460
303 Symantec, Inc.	7,399	25,465	32,864
304 Synaptic Advisory Partners LLC	2,452	2,765	5,217
305 Synergi, LLC	2,378	6,617	8,994
306 Tactical Network Solutions, LLC	712	2,006	2,718
307 TAI Specialty Construction, Inc	987	3,853	4,840
308 Tecore, Inc.	7,736	2,526	10,262
309 Teledyne Technologies Incorporated & Subsidiaries	1,651	0	1,651
310 Tenable, Inc.	16,036	7,161	23,197
311 Terbium Labs, Inc.	2,125	11,812	13,937
312 Tetracore, Inc.	4,044	1,690	5,734
313 The Emmes Corporation	1,803	6,119	7,922

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
314 The Sheridan Group, Inc.	1,030	0	1,030
315 The Sherwin-Williams Company	21,994	265,932	287,927
316 The Traffic Group, Inc.	7,001	0	7,001
317 The Wilson T. Ballard Company	8,196	11,694	19,889
318 Thorn Technologies, LLC	1,655	0	1,655
319 Threatquotient, Inc.	34	6,193	6,226
320 Tilley Chemical Company, Inc.	1,533	1,044	2,578
321 Tissue Analytics, Inc.	423	1,282	1,705
322 TISTA Science and Technology Corporation	1,455	4,172	5,627
323 Top Down Systems Corporation	2,284	0	2,284
324 Tourgee & Associates, Inc	4,788	0	4,788
325 Transendia, Inc.	233	263	496
326 Transendia, Inc.	271	0	271
327 Transformational Security, LLC	4,391	2,328	6,720
328 Travel Lite Co.	227	0	227
329 TWP Enterprises, Inc.	2,805	10,504	13,309
330 Under Armour, Inc.	77,783	84,730	162,512
331 United Parcel Service General Services Co.	101,549	39,588	141,137
332 United Therapeutics Corporation & Subs	40,628	89,047	129,675
333 USALCO, LLC	13,602	15,837	29,439
334 Valpac, Inc.	816	189	1,005
335 Value Asset Leasing, Inc.	4,978	459	5,438
336 Variq Corporation	4,432	32,072	36,504
337 Vectorworks, Inc.	23,499	32,517	56,016
338 Versa Integrated Solutions, Inc.	2,219	4,475	6,693
339 Viasat, Inc.	12,488	118,033	130,521
340 Vigilant Medical, Inc.	460	174	635
341 VIZUAL.AI, INC.	0	6,792	6,792
342 Vizuri Health Sciences, LLC	1,458	20,653	22,111
343 Vorbeck Materials Corp.	2,113	0	2,113
344 VSC Fire and Security, Inc.	1,706	0	1,706
345 W.B Engineering & Consulting PLLC	1,941	14,215	16,156
346 W.L. Gore & Associates, Inc.	178,469	248,037	426,506
347 Walgreen Co.	1,563	20,073	21,636

Appendix C: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2019

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
348	Wallace, Montgomery & Associates, LLP	5,649	12,181	17,830
349	Webmachinex, LLC	1,104	6,263	7,366
350	WEBS, INC.	11,680	6,720	18,400
351	Wilmot/Sanz Incorporated	10,946	13,824	24,770
352	Windmil Therapeutics, Inc.	689	18,416	19,105
353	WSC, Inc.	3,189	3,773	6,962
354	Xcision Medical Systems LLC	5,116	2,159	7,275
355	Zenimax Media, Inc.	139,483	0	139,483
356	Zephyr Aluminum, LLC	2,804	9,252	12,055
357	Zip Designs, LLC	2,704	8,289	10,994
358	Z-senz LLC	305	1,997	2,302
Total		\$5,500,000	\$6,500,000	\$12,000,000

Appendix D: Maryland Employer Security Clearance Costs Tax Credits Certified in FY 2019

	Business Name	Certified Credit
1	ABM Facility Support Services, LLC	21,923
2	Acquired Data Solutions, Inc.	1,296
3	Advanced Technology & Research Corp	19,520
4	Anthem Engineering, LLC	2,144
5	Asymmetrik, Ltd.	50,624
6	ATI, Inc.	21,334
7	Augury, LLC	1,613
8	Aviation Systems Engineering, Co., Inc.	36,348
9	Battlefield Telecommunications Systems, LLC	18,848
10	BCT, LLC	83,690
11	Booz Allen Hamilton, Inc.	150,208
12	Brain Trust Holdings	12,765
13	C.K. Signals, Inc.	6,652
14	CDG Advantage, LLC	5,197
15	Chiron Holdings, Inc.	39,300
16	Clear Ridge Defense, LLC	2,775
17	ClearEdge IT Solutions, LLC	53,440
18	ClearShark, LLC	8,359
19	Constellation Technologies, Inc.	13,713
20	CRWI, LLC	8,646
21	Cyrus Management Solutions, LLC	5,878
22	Entegra Systems, Inc.	21,549
23	Fuse Engineering, LLC	6,406
24	General Dynamics Information Technology, Inc.	34,469
25	General Dynamics Mission Systems, Inc.	229,249
26	Globecomm Services of Maryland, LLC	16,492
27	Gray Graphics Corporation	15,865
28	Grove Resource Solutions, Inc.	8,909
29	Helm Point Solutions, Inc.	4,128
30	Herrick Technology Laboratories, Inc.	47,516
31	Innoplex, LLC	21,748
32	INT3 Solutions, LLC	1,140
33	Integral Consulting Services, Inc.	48,702
34	Iron Flame Technologies, Inc.	7,353
35	IZ Holdings, LLC	44,714
36	JASINT Consulting and Technologies, LLC	2,734
37	Jeskell Systems, LLC	6,879
38	JS Global, LLC	16,958
39	KJMK Management, Inc. A/T RealStreet	14,025
40	Lingual Information System Technologies, Inc.	84,761
41	MDA Information Systems, LLC	50,098
42	Netrian LLC	33,478
43	Northrop Grumman Systems Corporation	224,982
44	Novetta, Inc.	22,324

	Business Name	Certified Credit
45	Novetta, LLC	34,627
46	Oakleaf Technology Group, Inc.	5,486
47	Omnyon LLC	16,017
48	Patriot Technologies, Inc.	2,704
49	Phoenix Operations Group, LLC	15,087
50	Project Enhancement Corporation	13,188
51	Quotient, Inc.	47,474
52	Resolute Technologies, LLC	3,678
53	Root3 Labs, Inc.	6,613
54	Sealing Technologies, Inc.	7,124
55	ShoreIT Solutions, LLC	1,507
56	SixGen Inc.	560
57	SixGen, LLC	2,135
58	Sound Engineering Solutions, Inc.	4,230
59	Staffing Alternatives, Inc. (SAI)	20,185
60	SUNAYU, LLC	9,633
61	Tensley Consulting, Inc.	15,375
62	Tiber Technologies, Inc.	21,584
63	Transformational Security, LLC	8,526
64	VariQ Corporation	42,634
65	Vision Technologies, Inc.	16,199
66	Visionist, Inc.	12,036
67	Walker Engineering Solutions, LLC	22,640
68	WGS Systems, LLC	10,181
69	WOG, LLC d/b/a WhiteOak Group	44,174
70	WOOD Consulting Services, Inc.	15,349
71	WorTech, Corp	33,368
72	Wyetech, LLC	3,161
73	Zavda Technologies, LLC	35,772
1	ABM Facility Support Services, LLC	21,923
2	Acquired Data Solutions, Inc.	1,296
	Total Credit Amount	\$2,000,000

Appendix E: Maryland Wineries and Vineyards Tax Credits Certified in FY 2019

	Business Name	Certified Credit Amount
1	Antietam Creek Vineyards, LLC	2,551
2	Berrywine Plantations, DVA Liganore Winecellars	46,320
3	Black Ankle Vineyards	65,483
4	Blue Mountain Wine Crafters, LLC	1,109
5	Boordy Vineyards, Inc.	26,317
6	Brown's Branch Vineyard	9,120
7	Catoctin Breeze Vineyard	8,047
8	Charm City Meadworks, LLC	12,817
9	Chateau Bu-De II, LLC	12,260
10	Chateau Bu-De, LLC	977
11	Chateau Lili, LLC	3,340
12	Cook Winery Holdings, LLC	1,315
13	Cool Ridge Vineyard	4,097
14	Crow Vineyard and Winery, LLC	4,085
15	Elk Run Vineyards, Inc.	8,642
16	Fiore Winery, Inc.	4,329
17	Generations Vineyard, LLC	1,581
18	Golden Leaf Farm, LLC	2,685
19	Heimbuch Estate Vineyards and Winery, LLC	6,676
20	Hemsley's Fortune Vineyard and Nursery	3,308
21	Lazy Day Farms, LLC	1,406
22	Libertas Estates, LLC	13,179
23	Links Bridge Vineyards, LLC	14,391
24	Love Point Vineyard and Winery, LLC	5,421
25	Mark Cascia Vineyards	6,798
26	Mazzaroth Vineyard, LLC	3,737
27	Native Concepts, LLC	857
28	New Market Plains, LLC	9,424
29	Newark Vineyards, LLC	311
30	Noble Landing, LLC	9,540
31	Old Westminster Winery, LLC	93,423
32	Roche & Smith Vineyard, LLC	934
33	Rocklands Farm	19,053
34	Rohrersville Vineyards, LLC	43,182
35	Schmidts Farms, Inc.	6,838
36	Six Wicket Vineyards, LLC	17,781
37	Southern Maryland Wine Growers Cooperative	781
38	St. Michaels Winery, LLC	8,264
39	The Vineyards at Dodon, LLC	15,814
40	Townshend Vogt Farm, LLC	2,726
41	Willow Oaks, LLC	1,078
Total Credit Amount		\$500,000

Appendix F: Recipients of Multiple Incentives FY 2019

	Recipient	Programs
1	204 Baltimore Pike & Int' Cosm	MSBDFA Guaranty Fund (2)
2	Alli Rudell, LLC dba Log Cabin Candies	MSBDFA EPIP (2)
3	Anthem Engineering, LLC	ESCC, R&D
4	BioFactura, Inc.	BIITC, R&D
5	ClearEdge IT Solutions, LLC	ESCC, R&D
6	General Dynamics Mission Systems, Inc.	ESCC, R&D
7	Herrick Technology Laboratories, Inc.	ESCC, R&D
8	Integral Consulting Services, Inc.	ESCC, R&D
9	J. Marshall & Associates, LLC	MSBDFA EPIP (2)
10	JASINT Consulting and Technologies, LLC	ESCC, R&D
11	Miltec Corporation	JCTC, R&D
12	Northrop Grumman Systems Corporation	AEDTC, ESCC, R&D
13	Phoenix Operations Group, LLC	ESCC, R&D
14	Physical and Sports Rehab, Inc	MSBDFA Guaranty Fund (2)
15	Plastipak Packaging, Inc.	JCTC, R&D
16	Precise Telehealth, Inc.	MSBDFA EPIP (2)
17	Quotient, Inc.	ESCC, R&D
18	Root3 Labs, Inc.	BMC, ESCC
19	Tactical Network Solutions, LLC	BMC, R&D
20	Transformational Security, LLC	ESCC, R&D
21	Under Armour, Inc.	MEDAAF-2, R&D
22	VariQ Corporation	ESCC, R&D
23	Walker Engineering Solutions, LLC	CIITC, ESCC
24	ZeniMax Media, Inc.	JCTC, R&D

Appendix G: Compliance Triggers and Remedial Action

	Trigger	Action	Remedy
Legal Action			
	Recipient breaches " any " covenant, representation, warranty or other provision of our Agreements	Claim a Default	Require immediate repayment, proceed to enforce all rights available to the Department: <i>Forbearance, Charge Off, Foreclose, Charge Late Fees, Increase Interest Rate, Terminate Transaction, File Judgments, Clawback, etc.</i>
Discretionary Decisions			
	Late Payments >90 Days	Escalate to Management	Management discretion to charge late fee-contact client continue billing
	Late Payments >180 Days	Escalate to Management	Charge Off, Transfer to Special Assets, Work with AG on legal remedy; Management has discretion not to Charge Off account based on case-by-case circumstances and must document via Approval Memo why not Charging Off (see legal remedies)
	Upcoming Reporting Date & <60 Days past due	Tickler/Reminder E-mails	Notifies client before something comes due, or once something is late.
	>60 Days Past Due for any reporting	Escalate Issue to Finance Specialist	Contact client to get item, waive requirement for item (in writing), continue to monitor
	Failed Employment Goals	Escalate to Finance Specialist and Management	Move forward with clawback or depending on company and economic conditions the employment goals may be modified (see legal remedies)
	Poor Annual Financial Review	Escalate to Management	Continue to monitor; possible downgrade of risk rating; transfer to Special Assets, contact client, financial institution

Tax Credits			
Not Eligible	Applicant applies for certification of tax credit but does not meet statutory requirements	Do not certify as eligible for tax credit	The tax credits are non-discretionary. If the business does not meet the statutory requirements of the program, the Department may not certify them as eligible. For the One Maryland and Job Creation Tax Credits, the Department urges the applicant to apply for preliminary certification to identify any potential obstacles to final certification. We work with the company to identify and overcome any issues that would preclude the company from qualifying.
Non-compliance	Applicant is certified as eligible for tax credits but does not maintain the positions or investment.	Credits are recaptured; business may not use the credits during the carry forward period.	Under the Job Creation Tax Credit, the business must maintain the credits for three years or recapture some or all the credits. An independent CPA certifies at the end of the recapture period, whether any recapture is due the state. Under the One Maryland Tax Credit, if the business falls below a certain threshold of jobs, the business may not use the credit in that credit year. However, when its employment increases over the threshold, it may begin taking the credit again. The threshold was originally 25 jobs, but in recognition of the struggling economy, this was reduced to 10 jobs, if the business had maintained 25 jobs for at least five years. Under the Biotechnology Investment Incentive Tax Credit, if the investor that received a credit sells or transfers his ownership interest in the qualified Maryland Biotechnology Company (QMBC) or if the QMBC ceases to operate as an active business with its headquarters in Maryland within 2 years from the tax year they claimed the credit, they are required to recapture some or all of the credit.
In general, the tax credits are non-discretionary. If the business does not meet the statutory requirements, they will not qualify for the credits. Commerce does not have the discretion to waive the statute. However, Commerce does work with the businesses to identify issues early in the process. In addition, changes have been made to the programs through legislation that have made it easier to meet the program requirements			