



# APPLICATION

## New Jobs Tax Credit or Enhanced New Jobs Tax Credit

**NAME OF BUSINESS:** \_\_\_\_\_

Federal Employer Identification Number of the Business: \_\_\_\_\_

North American Industry Classification System (NAICS) code: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address (for correspondence purposes): \_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

### PROPERTY INFORMATION

Real Property Account Number: \_\_\_\_\_

Address of Property: \_\_\_\_\_

Name of Property Owner: \_\_\_\_\_

Address of Property Owner (if different from above): \_\_\_\_\_

If the new or expanded premises is leased property, who is responsible for payment of real estate taxes under the lease?

\_\_\_\_\_ Lessor          \_\_\_\_\_ Lessee          Amount or % \_\_\_\_\_

### PROJECT INFORMATION

Identify the nature of the new or expanded premises in detail (for example, expansion of 10,000 square feet at 1234 Main Street, City, or new 10,000 square foot building at 1234 Main Street, City). Note: In order to qualify for a tax credit the premises must not have been previously occupied.

Project Start Date: \_\_\_\_\_ Expected Completion Date: \_\_\_\_\_

Estimated Cost of Total Project: \$ \_\_\_\_\_

## EMPLOYEE INFORMATION

Number of Full-time positions prior to new project (if any): \_\_\_\_\_

Annual Payroll for these existing jobs (if any): \_\_\_\_\_

Number of New Full-time positions in Frederick County resulting from the new project: \_\_\_\_\_

Projected Annual Payroll for these New Jobs: \_\_\_\_\_

Anticipated Occupation Date for New Full-time Employees at New Facility: \_\_\_\_\_

## OTHER

Has the business or another taxpayer been given a tax credit or exemption for the new or expanded premises during the same taxable year under any other state or county law?

\_\_\_\_\_ Yes

\_\_\_\_\_ No

Is the location of the new or expanded premises consistent with applicable Frederick County land use master plans?

\_\_\_\_\_ Yes

\_\_\_\_\_ No

I hereby certify that I am authorized to act on behalf of the above applicant and attest that the above information is true and accurate. I understand the applicant must submit documentation reasonably necessary to verify the above information including, but not limited to, payroll records and employee time sheets and such other documentation necessary to verify the above information for the taxable year for which the credit is sought and for the three taxable years following the last year in which a tax credit was granted. I further understand that submission of a false or fraudulent application or the withholding of information to obtain a tax credit is a Class A violation, and further subjects the applicant to repayment of all taxes with interest and penalties, and court costs and expenses in the event a civil action for collection is filed.

\_\_\_\_\_  
Authorized Official (print name)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

*Please submit to: Frederick County Treasury Dept, 30 N Market Street, Frederick, MD 21701*

*Sample Notification Letter for the New Jobs Tax Credit and Enhanced New Jobs Tax Credit—this notice must be sent prior to the business obtaining the new or expanded premises or hiring new employees to fill the new permanent full-time positions*

DATE

Director of Finance  
Frederick County Government  
30 N Market Street  
Frederick, MD 21701

Dear Director:

This is to notify you of Your Business's intent to receive the (Enhanced) New Jobs Tax Credit. Your Business is located at ##### Street Name, Town, State, Zip Code. Your Business currently has ##### full-time permanent employees, housed in ##### square feet of space. It is Your Business's intention to expand by ##### permanent full-time employees and by ##### square feet of space by Month 20##.

*If the business is claiming the Enhanced New Jobs Tax Credit, please insert an explanation of how the business expects to meet the requirements to qualify for the enhanced property tax credit.*

I will forward to you Your Business's quarterly filing (covering the current month) for either Maryland withholding taxes or unemployment insurance taxes when it becomes available. I will also send you a copy of our current lease, detailing the amount of space Your Business occupies. (Or some other document detailing the space occupied).

Sincerely,

Your Business's Contact

## **New Jobs Tax Credit**

### Eligibility Requirements

This program consists of the New Jobs Tax Credit and the Enhanced New Jobs Tax Credit, and benefits businesses that are planning to increase both their space and staff. A business seeking either credit must notify the County's Director of Finance of its intent to claim the credit *before* the expansion. The New Jobs Tax Credit and the Enhanced New Jobs Tax Credit are not retroactive. The business must meet the program's requirements on or after July 31, 2011.

### *New Jobs Tax Credit*

This is a six-year credit available to businesses that construct or expand their premises by at least 5,000 square feet and their employee count by at least 25 new permanent full-time positions within Frederick County priority funding areas. Businesses that are already residing in the County or that are moving from outside of Maryland are eligible to apply. The 25 new jobs must last for at least 24 months. The new space must be occupied during the period the business retains the 25 new employees. The credit is based on the increase in real property tax assessments resulting from the business's expansion. The credit decreases over six years, as follows:

Years 1 and 2: Credit = 52% of tax attributable to the assessment increase

Years 3 and 4: Credit = 39% of tax attributable to the assessment increase

Years 5 and 6: Credit = 26% of tax attributable to the assessment increase

After meeting the requirements, and in order to continue to receive a New Jobs Tax Credit each year allowed, the business must thereafter maintain at least 25 persons in permanent full-time positions located in the new or expanded premises as indicated above for a period of three (3) years after each year that a tax credit is allowed.

After the sixth taxable year, the business shall no longer be eligible for the credit. In order to receive a new credit after the sixth taxable year, a business must reapply for the New Jobs Tax Credit and must meet anew all requirements then existing by creating additional jobs and additional square footage.

### *Enhanced New Jobs Tax Credit*

This is a twelve year credit that is available to businesses:

1. a. That obtain at least 250,000 square feet of new or expanded premises within Frederick County by purchasing newly constructed premises, constructing new premises, causing new premises to be constructed, or leasing newly constructed premises;
- b. That continue to employ at least 2,500 individuals in existing permanent full-time positions paying at least 150% of the Federal minimum wage and located at premises in the state where the business entity, along with its affiliates, is

primarily engaged in one or more of the industries listed in the Annotated Code of Maryland, Tax-Property Article, Section 9-230; and

- c. Employ at least 500 individuals within Frederick County in new permanent full-time positions paying at least 150% of the Federal minimum wage and located in the new or expanded premises, and, if applicable, in new renovated premises adjoining or otherwise neighboring the new or expanded premises;

OR

2. a. Obtain at least 250,000 square feet of new or expanded premises within Frederick County by purchasing newly constructed premises, constructing new premises, causing new premises to be constructed, or leasing newly constructed premises; and
- b. Employ at least 1,250 individuals within Frederick County in new permanent full-time positions paying at least 150% of the Federal Minimum wage and located in the new or expanded premises and, if applicable, in newly renovated premises adjoining or otherwise neighboring the new or expanded premises.

The Enhanced New Jobs Tax Credit is 58.5% of the property tax imposed on the increase in assessment of:

1. The new or expanded premises; and
2. Any substantially renovated real property adjoining or neighboring the new or expanded premises. A renovation is substantial if the renovation results in a complete renovation of at least 50% of each building on the property.

If at any time during either the six years that a New Jobs Tax Credit or during the twelve years that an Enhanced New Jobs Tax Credit may be claimed the business fails to satisfy any applicable requirement, the business's eligibility for the credit shall cease and no further credit shall be allowed. In order to re-qualify and re-start the new tax credit period, the business must reapply and must meet anew all requirements then existing by creating additional jobs and additional square footage.

Both credits also contain a recapture provision that requires the business to repay the amount of the credits if they fail to maintain the job and space requirements for a minimum of three years. This recapture provision is applicable to each individual year. Interest accrues on any repayable tax credit at the rate established for overdue property taxes beginning 30 days after notice from the Director of Finance. Any unrepaid tax credit is a lien on real and personal property owned by the business in the same manner as unpaid property taxes and may be collected in the same manner as real property tax may be collected under the Maryland Code Annotated, Tax-Property Article.

A business may not apply for a New Jobs Tax Credit or Enhanced New Jobs Tax Credit if it owes delinquent taxes to Frederick County, including but not limited to recaptured taxes.

A lessor of real property must reduce the amount of taxes for which an eligible business is contractually liable under a lease or rental agreement by the amount of any tax credit allowed.

## Disqualification

A business does not qualify for the New Jobs Tax credit or Enhanced New Jobs Tax Credit if:

1. The business has moved the operations which are located on new or expanded premises from another county (including Baltimore City) in Maryland;
2. The business or another taxpayer has been given a tax credit or exemption for the new or expanded premises during the same taxable year under any other State or County law;
3. The business, or its affiliates if applicable, are types of business entities, or the new permanent full-time positions are types of positions, or the new or expanded premises are located in a geographic area that the Board of County Commissioners has made ineligible for a New Jobs Tax Credit or Enhanced New Jobs Tax Credit;
4. The location of the new or expanded premises is inconsistent with any applicable land use master plan; or
5. The business fails to meet any of the qualifying requirements set forth in State law including those found in Tax-Property Article, Section 9-230.

## State of Maryland “Businesses that Create New Jobs Credit”

When Frederick County has approved the business’s New Jobs Tax Credit or Enhanced New Jobs Tax Credit, it will notify the State Department of Assessments and Taxation of the approval. SDAT will calculate and certify the amount of any allowable State credit to the Comptroller of Maryland.

For information about the State credit, contact:

State Department of Assessments and Taxation  
301 W. Preston Street  
Baltimore, MD 21201-2395  
Phone: 410-767-1150  
Email: [taxcredits@dat.state.md.us](mailto:taxcredits@dat.state.md.us)