

One Maryland Tax Credit

Businesses that invest in an economic development project in a "qualified distressed county" and create at least 25 new full-time jobs may qualify for up to \$5.5 million in state income tax credits. Project tax credits of up to \$5 million are based on qualifying costs incurred in connection with the acquisition, construction, rehabilitation and installation of a project. Start-up tax credits of up to \$500,000 are available for the expense of moving a business from outside Maryland and for the costs of furnishing and equipping the new location. The credit can be carried forward 14 years and is refundable, subject to certain limitations.

BENEFIT

Project Tax Credit

A business may qualify for a state income tax credit of up to \$5 million of eligible project costs. Project costs include those major capital expenditures related to land acquisition, building construction, rehabilitation, installation and purchasing of equipment. A list of eligible project costs is available in the [One Maryland Regulations](#). The business must spend at least \$500,000 of project costs and costs in excess of \$5 million will not qualify.

Start-up Tax Credit

The business may qualify for a state income tax credit of up to \$500,000 of start-up costs. Start-up costs include the expense of moving a business from outside Maryland and for the costs of furnishing and equipping a new location for ordinary business functions. Examples of eligible start-up costs would include the cost of fixed telecommunications equipment, office equipment, or office furnishings. The start-up credit is calculated as the lesser of your eligible start-up costs or \$10,000 multiplied by the number of new qualified positions.

ELIGIBILITY

- Location- A business must locate or expand in a "**Priority Funding Area**" in a "Qualified Distressed County". Qualified distressed counties are subject to change. Please verify with DBED that your project location is in a PFA and a qualified distressed county.
- Declaration of Intent- A business may not claim any expenses incurred or jobs created prior to notifying the Department of Business and Economic Development (DBED) **in writing** of its intent to seek certification for a One Maryland Tax Credit.
- Certification- A business must be certified as a qualified business entity eligible for the One Maryland Tax Credit. **Applications** for certification are available from DBED.
- Job Creation Minimums- The business must create at least 25 new, full-time qualified positions at the project within 24 months of the date the project is placed in service.
 - The positions must be filled for 12 months.
- Qualified positions are full-time and pay at least 150% of federal minimum wage.

The facility must be engaged in an **eligible activity**.

APPLY

Contact the **local county Economic Development office** in your jurisdiction to begin the process. The application requires the business to declare its intent to DBED in writing prior to incurring eligible project and start-up costs or creating new, qualified jobs. The business is encouraged to submit a Preliminary Application, along with the Employment Affidavit. The business must be certified as eligible for the tax credit by submitting a Final Application.

One Maryland Application Materials:

- [Sample Intent Letter](#)
- [Employment Affidavit](#)
- [Preliminary Application](#)
- [Final Application](#)