



Senate Bill 989

One Maryland Economic Development Tax Credits – Simplification and Alteration

MACo Position: **SUPPORT**

To: Ways & Means Committee

Date: March 28, 2018

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** SB 989, because it makes the One Maryland Economic Development Tax Credit available to new businesses in the state which hire 10 to 25 qualifying employees. The program is only available to businesses who hire at least 25 qualifying employees under existing law.

Local governments, just like the State, have a vested interest in economic development. Local economic growth creates jobs and increases salaries, expanding the tax base both locally and statewide. Counties promote economic development through their own programs and coordinate with the State to attract and retain businesses where most beneficial to our economy.

MACo generally supports legislation that promotes greater access to economic development incentives. An economic development incentive in an urban area might appropriately require creation of at least 25 new qualifying jobs. In rural parts of the state, however, this bar can be too high to practically encourage economic growth. State programs which offer varying metrics and qualification criteria generally support more of Maryland's counties – and promote significant job growth throughout our entire state.

MACo supports SB 989 because it makes economic incentives available to more counties by broadening the criteria for qualification, while still targeting distribution of limited resources based upon objective criteria. For these reasons, MACo requests the Committee **SUPPORT** SB 989.