

# City of Crisfield Tax Incentives

Revised March 3, 2019

Contact [arts@crisfieldcityhall.com](mailto:arts@crisfieldcityhall.com) for more information

**Enterprise Zone - Real Property Tax Credit:** A ten-year tax credit against local real property taxes on a portion of real property expansion, renovation or capital improvement. The amount of credit is 80% of the "eligible assessment" in each of the first 5 years, and the credit decreases 10% annually (70%, 60%, 50%, 40%, 30%) for the subsequent 5 years.

## Enterprise Zone - Employment Tax Credit (two parts):

1. The General Income Tax Credit – The one-time \$1,000 tax credit for each qualified new employee filing a newly created position in an enterprise zone, or one-time \$1,500 credit for each qualified new employee in an enterprise zone focus area.
2. The Income Tax Credit for Economically Disadvantaged Employees – A three-year period tax credit for each qualified new economically disadvantaged employee, earned at the following amounts:

Enterprise Zone	Focus Area	
First Year	\$3,000	\$4,500
Second Year	\$2,000	\$3,000
Third Year	\$1,000	\$1,500

Complete information on the Enterprise Zone can be viewed at <http://commerce.maryland.gov/fund/programs-for-businesses/enterprise-zone-tax-credit>

## Arts and Entertainment District Tax Incentives

- **Property Tax Incentives**

The owner of a manufacturing, commercial, or industrial property is eligible for a local property tax credit based on the difference between the pre- and post-renovation assessments of the property when it has been wholly or partially renovated for use by "qualified residing artists" or "arts and entertainment enterprises." In Crisfield, this incentive is the maximum amount, 100% for the increased value in assessment in both City and County property taxes for 10 years. Contact [arts@crisfieldcityhall.com](mailto:arts@crisfieldcityhall.com) or the [A&E Districts Program Director](#) with questions about the incentives available in a particular district.

- **Artist Income Tax Subtraction Modification**

A "qualified residing artist" who lives in Maryland and sells "artistic work" in any of the 25 A&E Districts throughout the State is eligible for the income tax subtraction modification on income derived from their in-district sales (for performing artists, this includes income derived from performances in a district; for all "qualified residing artists", this includes internet sales originating in a district.) Eligible artists should submit a [form 502AE](#) with their annual state tax filing to claim the modification.

- **Admissions & Amusement Tax Exemption**

Local governments may exempt from the admissions and amusement tax gross receipts from any admissions or amusement charge imposed by an "arts and entertainment enterprise" or a "qualifying residing artist" in an A&E District.

- Please [visit the State Comptroller's Office website](#) or [contact the office](#) for additional information, or see [CrisfieldArts.org](#).

## Opportunity Zone

There are three types of incentives available:

- **Temporary Deferral:** A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund.
- **Step-Up in Basis:** The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, excluding up to 15% of the original gain from taxation.
- **Permanent Exclusion:** a permanent exclusion from taxable income of capital gains from sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years.

[https://www.novoco.com/sites/default/files/atoms/files/maryland\\_faqs\\_042018.pdf](https://www.novoco.com/sites/default/files/atoms/files/maryland_faqs_042018.pdf)

## Job Creation Tax Credit

Businesses that create a minimum number of 10 new full-time positions in the City of Crisfield may be entitled to state income tax credits of up to \$3,000 per job or \$5,000 per job in a "revitalization area."

Complete program info can be viewed at

<http://commerce.maryland.gov/fund/programs-for-businesses/job-creation-tax-credit>

## One Maryland Tax Credit

Businesses that invest in an economic development project in City of Crisfield and create of 10-24 new full-time positions may qualify for a State income tax credit up to \$1 million depending on the number of jobs and amount of eligible costs.

Full information on the program can be viewed here:

<http://commerce.maryland.gov/fund/programs-for-businesses/one-maryland-tax-credit>

NOTE: One Maryland and Job Creation Tax Credits (JCTC) cannot be combined. JCTC is more suited for a company adding jobs, and One MD more suited for a company adding jobs and having \$500K or more in capital expenditures.

## More Jobs for Marylanders:

Provides manufacturer tax incentives tied to job creation for a 10-year period, and encourages additional investment in new equipment through accelerated and bonus depreciation

- For a new manufacturer that locate in City of Crisfield with a minimum of 5 new qualified jobs, benefits include:

- (a) a refundable credit against the State's income;
- (b) a credit against the State's portion of the property tax;
- (c) a refund of sales and use tax; and
- (d) a waiver of fees charged by SDAT.

Minimums apply in this program. Full program can be viewed here:

<http://commerce.maryland.gov/fund/programs-for-businesses/more-jobs-for-marylanders>

## Partnership for Workforce Quality Training Grant

Provides matching training grants and support services targeted to improve the competitive position of small and mid-sized manufacturing and technology companies.

Full program can be viewed here: <http://commerce.maryland.gov/grow/partnership-for-workforce-quality-pwq>