


SPOTLIGHT ON MARYLAND TAXES
[Maryland Taxes](#)[Maryland's Money](#)[Comptroller of Maryland](#)[Media Services](#)[Online Services](#)[Search](#)[Home](#)[Resource Library](#)[Individual Taxpayers](#)[Business Taxpayers](#)[Tax Professionals](#)[Tax Compliance & Enforcement](#)**General Information**

[Business Tax Forms and Instructions](#)
[2012 Instruction Booklets](#)
[Business Online Services](#)
[Filing Methods](#)
[Payment Methods](#)
[Filing Deadlines](#)
[Business Tax Credits](#)
[Business Licenses](#)

Business Tax Types

[Income Tax](#)
[Sales and Use Tax](#)
[Admissions and Amusement Tax](#)
[Motor Fuel Tax](#)
[Alcohol Tax](#)
[Tobacco Tax](#)
[Boxing and Wrestling Tax](#)
[Business Personal Property Tax](#)

New Businesses

[Business Licenses](#)
[Business Online Services](#)
[Business Registration Forms](#)
[Registro de Empresas](#)
[Contact Information](#)
[New Business Tax Tips](#)

Unclaimed Property**Taxpayer Assistance**

[Tax Tips](#)
[Contact Information](#)
[Business Tax FAQs](#)
[Taxpayer Rights](#)
[Tax Institutes](#)
[Closings and Delays](#)
[Change of Address](#)
[Free Income Tax Preparation](#)
[Common Problems](#)

Business Tax Compliance

[Why Do I Owe](#)
[What Happens if I Don't Pay](#)
[Pay It](#)
[Dispute It](#)
[Get Help](#)
[Enforcement Information](#)

Tell Us What You Think[Business Taxes](#)>[General Information](#)>[Business Tax Credits](#)>[Enterprise Zone Tax Credit](#)

Enterprise Zone Tax Credit

Businesses located in a Maryland Enterprise Zone may be eligible for income tax credits based upon wages paid to qualifying employees.

There are two types of income tax credits for firms in an enterprise zone; a general income tax credit and a larger income tax credit for hiring economically disadvantaged employees.

Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.

To qualify for the credit:

The business must hire at least one employee who:

- Is a new employee or an employee rehired after being laid off for more than one year;
- Worked for the business for at least 35 hours per week for six months or more;
- Earns at least 150% of the federal minimum wage;
- Spends at least 50% of the workday either in the enterprise zone or on activities of the business resulting from its location in the enterprise zone or focus area;
- Is hired after the date the enterprise zone was created or the date the business located in the enterprise zone or focus area, whichever is later; and
- Is not hired to replace an individual employed by the business within the last four years.

If the individual is economically disadvantaged, the business must obtain certification from the Maryland Department of Labor, Licensing and Regulation.

How the credit is calculated:

The income tax credit is \$1,000 for each qualified new employee filling a newly created position in an enterprise zone, or \$1,500 for each qualified new employee in a focus area.

The tax credit for economically disadvantaged employees is for a three-year period for each qualified 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

In order to receive the tax credit, an economically disadvantaged employee must remain in the position for three years. However, if the disadvantaged employee leaves the firm and is replaced by another employee who is also certified as disadvantaged, the firm may take the remainder of the credit as if the original employee had remained.

If the credit allowed in any tax year exceeds the State income tax for that tax year, a business entity may apply the excess as a credit against the State income tax for succeeding tax years until the earlier of the full amount of the excess is used or the expiration of the 5th tax year from the date on which the business entity hired the qualified employee to whom the credit first applies.

Documentation required:

Form 500CR must be submitted with the appropriate Maryland Income Tax Return - Form 500 for Corporations, Form 510 and Form 510 Schedule K-1 for Pass-Through Entities, and Form 502 or 505 for Individuals.

Contact:

Maryland Department of Business and Economic Development
 Office of Finance Programs, Tax Incentives Group

401 E. Pratt Street
 Baltimore, MD 21202
 Phone: 410-767-6438 or 410-767-4041
 E-mail: taxincentives@choosemaryland.org

Maryland Department of Labor, Licensing and Regulation
 Division of Workforce Development and Adult Learning
 1100 N. Eutaw St.
 Baltimore, MD 21201
 Phone: 410-767-2047

Links for Business Tax Credits

General Information

Business Tax Credits

[Bio-Heating Oil Tax Credit](#)

[Biotechnology Investment Incentive Tax Credit](#)

[Businesses That Create New Jobs Tax Credit](#)

[Cellulosic Ethanol Technology Research and Development Tax Credit](#)

[Clean Energy Incentive Tax Credit](#)

[Community Investment Tax Credit](#)

[Commuter Tax Credit](#)

[Electric Vehicle Supply Equipment Tax Credit](#)

[Employer-Provided Long-Term Care Insurance Tax Credit](#)

[Employment Opportunity Tax Credit](#)

[Enterprise Zone Tax Credit](#)

[Film Production Tax Credit](#)

[Green Building Tax Credit](#)

[Heritage Structure Rehabilitation Tax Credit](#)

[Job Creation Tax Credit](#)

[Job Creation and Recovery Tax Credit](#)

[Long-Term Employment of Ex-Felons Tax Credit](#)

[Maryland Disability Employment Tax Credit](#)

[Maryland-Mined Coal Tax Credit](#)

[One Maryland Economic Development Tax Credit](#)

[Research and Development Tax Credit](#)

[Sustainable Communities Tax Credit](#)

[Telecommunications Property Tax Credit](#)

[Work-Based Learning Program Tax Credit](#)

[Employer Security Clearance Costs](#)

