

(11) "SECRETARY" MEANS THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT.

(12) (I) "ELIGIBLE START-UP COSTS" MEANS UP TO A TOTAL OF \$500,000 OF:

(H) 1. A COMPANY'S COST TO FURNISH AND EQUIP A NEW LOCATION FOR ORDINARY BUSINESS FUNCTIONS, INCLUDING COMPUTERS, NONRECURRING COSTS OF FIXED TELECOMMUNICATIONS EQUIPMENT, FURNISHINGS, AND OFFICE EQUIPMENT; AND

(H) 2. A COMPANY'S EXPENDITURES FOR MOVING COSTS, SEPARATION COSTS, AND ANY OTHER EXPENDITURE INCURRED BY A COMPANY DIRECTLY RELATED TO A MOVE FROM AN EXISTING LOCATION OUTSIDE OF MARYLAND TO A LOCATION IN A QUALIFIED DISTRESSED COUNTY IN MARYLAND.

(II) "ELIGIBLE START-UP COSTS" DOES NOT INCLUDE ANY COSTS INCURRED BY A BUSINESS ENTITY BEFORE NOTIFYING THE DEPARTMENT OF ITS INTENT TO SEEK CERTIFICATION AS QUALIFYING FOR THE TAX CREDIT UNDER THIS SECTION.

(B) (1) A QUALIFIED BUSINESS ENTITY MAY CLAIM A TAX CREDIT UNDER THIS SUBSECTION ~~AGAINST THE STATE INCOME TAX~~ FOR THE COSTS OF AN ELIGIBLE ECONOMIC DEVELOPMENT PROJECT IN A QUALIFIED DISTRESSED COUNTY IF THE AMOUNT OF THE QUALIFIED BUSINESS ENTITY'S TOTAL ELIGIBLE PROJECT COSTS FOR THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT IS AT LEAST \$500,000.

(2) THE CREDIT ALLOWED UNDER THIS SUBSECTION EQUALS THE LESSER OF:

(I) 100% OF THE ELIGIBLE PROJECT COSTS FOR THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT, LESS THE AMOUNT OF THE CREDIT ALLOWED WITH RESPECT TO THE PROJECT FOR PRIOR TAXABLE YEARS; OR

(II) THE STATE ~~INCOME~~ TAX FOR THE TAXABLE YEAR ON THE QUALIFIED BUSINESS ENTITY'S INCOME GENERATED BY OR ARISING OUT OF THE PROJECT, AS DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

(3) (I) THE STATE ~~INCOME~~ TAX FOR THE TAXABLE YEAR ON THE QUALIFIED BUSINESS ENTITY'S INCOME GENERATED BY OR ARISING OUT OF AN ELIGIBLE ECONOMIC DEVELOPMENT PROJECT SHALL EQUAL THE DIFFERENCE BETWEEN:

1. THE STATE ~~INCOME~~ TAX WITHOUT REGARD TO THIS SECTION; AND

2. THE STATE ~~INCOME~~ TAX ON THE QUALIFIED BUSINESS ENTITY'S MARYLAND TAXABLE INCOME REDUCED BY THE AMOUNT OF ITS NET INCOME ATTRIBUTABLE TO THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT.