

Enterprise Zone Tax Credit

Basic description and objectives of program

Enterprise Zone and Focus Area tax credits encourage investment in distressed areas and aid businesses in reducing their real property, personal property and income tax bills. The Baltimore Development Corporation manages the State of Maryland Enterprise Zone program in Baltimore City.

Eligibility/Jurisdictions

A business is eligible for the Enterprise Zone (EZ) tax credit program if it makes a capital investment in its property (constructs, renovates, or expands an existing facility) or hires at least one new employee in the Enterprise Zone.

Commercial, Retail, and Industrial projects are eligible. Residential properties are not eligible for any of the EZ tax credits. If a property is mixed use, the commercial parcels are eligible. To find out if you are located in an EZ, use the following Baltimore City Mapping tool:

<http://cityview.baltimorecity.gov/>

EZ Focus Area Benefits

Real Property Tax Credits

- Ten-year tax credit on improvements to real property
- 80 percent credit years 1-5 — Decreases 10 percent annually years 6-10
- Tax credit goes to the property owner

Income Tax Credits

- \$1,000 credit per new employee
- \$6,000 credit over 3 years for hiring economically disadvantaged employees
- Credit may be carried forward for 5 years

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EZ Focus Area Benefits

Property Tax Credits

- Real property tax credit of 80 percent on the increased assessed value for ten years
- Personal property tax credit of 80 percent for ten years on new investment in personal property

Income Tax Credits

- \$1,500 credit per new employee
- \$9,000 credit over 3 years for hiring economically disadvantaged employees
- Credit may be carried forward for 5 years

