

Enterprise Zone Tax Credit (EZ)

The EZ program provides real property and state income tax credits for businesses located in a Maryland enterprise zone in return for job creation and investments. Businesses located in Focus Areas may be also qualified for personal property tax credits on new investment in personal property and enhanced income tax credit for creating new jobs.

There are currently 28 enterprise zones and focus areas in two jurisdictions.

County	Enterprise Zone	Acres	Expires
Allegany	Rt. 220 South-Allegany County	380	12/14/2019
	Cumberland-Allegany County	7,783	6/14/2022
	Frostburg-Allegany County	275	12/14/2014
Baltimore City	Baltimore City	13,453	6/14/2022
Baltimore County	North Point-Baltimore County	3,821	12/14/2015
	Southwest Baltimore County	1,304	6/14/2023
	Woodlawn Baltimore County	395	6/16/2021
Cecil	Cecil County	4,334	6/14/2023
Dorchester	Cambridge-Dorchester County	1,661	6/14/2023
	Hurlock Enterprise Zone	433	6/14/2020
Garrett	Southern Garrett Industrial Park	254	12/14/2016
	Northern Garrett Industrial Park	107	12/14/2018
Harford	Aberdeen/Havre de Grace	8,936	6/14/2016
	Edgewood/Harford County	3,959	6/14/2024
Montgomery	Olde Towne-Gaithersburg	284	6/14/2018
	Glenmont	235	6/14/2023
	Long Branch –Takoma Park	125	6/14/2023
	Wheaton	491	6/14/2016
Prince George's	Prince Georges County	7,275	12/14/2019
Somerset	Crisfield-Somerset County	433	6/14/2016
	Princess Anne-Somerset County	1,155	6/14/2023
Washington	Town of Hancock	1,850	12/14/2015

	Hagerstown-Washington County	4,094	12/14/2022
Wicomico	Salisbury-Wicomico County	4,220	12/14/2022
	Fruitland-Wicomico County	113	6/14/2015
Worcester	Berlin-Worcester County	1,134	12/14/2016
	Pocomoke City	926	6/14/2022
	Snow Hill	233	6/14/2022
Focus Areas			
Baltimore City	Baltimore City		12/14/2017
Prince George's	Prince George's County		12/14/2014

BENEFIT

Income Tax Credits:

There are two types of income tax credits for businesses in an Enterprise Zone:

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

Property Tax Credits:

The property tax credits benefits differ by whether a business is located in an enterprise zone or an enterprise zone focus area:

1. Enterprise Zone

1. 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.

2. Enterprise Zone Focus Area

1. Real Property Tax Credit for Focus Area– A ten-year tax credit against local real property taxes on a portion of real property expansion, renovation or capital improvement within a focus area. The amount of credit is 80% of the "eligible assessment" in each of the entire ten-year period.
2. Personal Property Tax Credit – A ten-year tax credit against local personal property taxes on new investment in personal property within a focus area. The amount of credit is 80% of the "eligible assessment" in each of the entire ten-year period.

ELIGIBILITY

Not every business located in an enterprise zone is eligible to receive tax credit. In order to claim the credit, the business must be certified by the local enterprise zone administrator as eligible for the credit.

Income Tax Credits:

General Requirements

Not every new employee hired by a business located in an enterprise zone is eligible for one of the enterprise zone income tax credits. The following requirements apply to both the general income tax credit and the income tax credit for hiring economically disadvantaged employees:

- The employee must have been hired after the business was located in the enterprise zone or focus area, or after the enterprise zone or focus area is designated,
- The employee must have been employed for at least 35 hours per week for six months (or 12 months in a Focus Area) before or during the taxable year in which the credit is taken,
- The employee must spend at least 50% of all work time in the enterprise zone or on activities of the business resulting from its location in the enterprise zone or focus area,
- The employee must have been hired to fill a new position. That is, the firm's number of full-time positions must increase by the number of credits taken, and
 - The employee must earn at least 150% of the federal minimum wage.

Requirements for Economically Disadvantaged Employees:

The following requirements apply the income tax credit for hiring economically disadvantaged employees in addition to the general requirements:

- To claim the income tax credit for hiring the economically disadvantaged employees, the business must obtain the certification from the Maryland Department of Labor, Licensing and Regulation, and
- To receive the income tax credit, an economically disadvantaged employee must remain in the position for three years.

Property Tax Credits:

In order for a business to qualify for the property tax credit, it must meet all state and local eligibility requirements. To be qualified the business must satisfy one of the two specific statutory requirements, which are that business must either (1) make an investment in capital improvements, or (2) hire new employees. The business must contact the local enterprise zone administrator regarding the local eligibility requirements because the local eligibility requirements vary by the enterprise zone.

APPLY

The business must apply to the [local county Enterprise Zone Administrator](#) for certification.