



Maryland

OPEN FOR BUSINESS

FINANCIAL INCENTIVES FOR BUSINESSES

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The **Maryland Department of Commerce**, the state's primary economic development agency, is committed to providing outstanding customer service to Maryland's businesses and creating a business-friendly environment to strengthen our economy. Whether investing in Maryland as a business owner, a lending institution or as an economic developer, Maryland Commerce provides assistance navigating the various financial incentives for businesses.

Maryland Commerce facilitates access to funding and incentive programs across the spectrum of industry and business development, local economic development, commercial banks, businesses of all sizes, and women, small, minority and veteran owned businesses. Assistance to the business community includes funding and incentive based solutions to maximize job creation and retention, leverage capital investment and encourage growth in targeted business sectors and specific geographic areas throughout the state.

Team experts from the **Commerce Office of Finance** also assist with information on loans, tax incentives and additional statewide resources that provide support for small and large scale projects when:

- Assistance is needed for upfront project costs, working capital support or ongoing operating costs
- Commercial banks are requiring additional collateral
- Veteran, small, minority or women-owned businesses cannot obtain bank financing

Tax Credits

Tax credits are available for a variety of businesses in Maryland. Some are industry-based, others are tied to a geographic location, activity, to job creation or a combination of factors. The tax credit might be realized as a refundable state income tax credit, a real property tax credit, on qualified expenses such as acquisition, construction, furnishing and equipping a new location, and more.

Business Tax Credit Tools Managed by Commerce

	Job Creation	Revitalization	Investments	Industry Growth
Biotechnology Investment Incentive Tax Credit			•	•
Brownfields Revitalization Incentive Program		•	•	
NEW Buy Maryland Cybersecurity	•			•
REVISED Cybersecurity Investment Incentive Tax Credit			•	•
Employer Security Clearance Tax Credit			•	•
Enterprise Zone Tax Credit	•	•	•	
Hire Our Veterans Tax Credit	•			
Job Creation Tax Credit	•			
Maryland Wineries and Vineyards Tax Credit			•	•
More Jobs for Marylanders Tax Credit	•	•	•	•
REVISED One Maryland Tax Credit	•	•	•	
RISE Zone Tax Credit	•		•	
Research and Development Tax Credit			•	•
NEW Small Business Relief Tax Credit	•			•

BioFactura has its HQ and R&D manufacturing facility in Frederick's Riverside Research Park. For over 10 years, BioFactura has been advancing life-saving medicines with programs that include biodefense drugs against smallpox and Ebola, novel medicines for cancer, and low-cost/high-quality biosimilars for autoimmune and infectious diseases. An expansion in 2016 is facilitating significant additional capabilities in cell line and bioprocess development as well as cGMP Phase I clinical manufacturing. BioFactura was approved for a Maryland **Research and Development Tax Credit** program in FY2017 and has also been prequalified for a **Biotech Investment Tax Credit** from the State of Maryland.



Tax Credit Programs

Biotechnology Investment Incentive Tax Credit (BIITC)

BIITC provides an investor with income tax credits equal to 50% of an eligible investment in a Qualified Maryland Biotechnology Company (QMBC). A single QMBC may not receive benefit of credits exceeding 15% of the total program appropriation for each fiscal year. The program supports investment in seed and early stage biotech companies to promote and grow the biotech industry in Maryland. If the QMBC is located in Allegany, Dorchester, Garrett or Somerset counties, the BIITC increases the amount of the credit provided for an investment to 75% (not to exceed \$500,000).

Brownfields Revitalization Incentive Program (BRIP)

A site that qualifies for this incentive program may also qualify for real property tax credits. The site must be located in a jurisdiction that participates in the BRIP, and be owned by an inculpable person. For five years after cleanup, a site may qualify for a real property tax credit between 50% and 70% of the increased value of the site. (In an Enterprise Zone, the tax credit may last for up to 10 years). This credit, combined with other real property tax credits, may not exceed 100% of the tax on the increased value of the site.

NEW Buy Maryland Cybersecurity (BMC)

Maryland also now provides the opportunity for qualified buyers to apply for a tax credit for the purchase of Maryland cybersecurity goods, products or services from Maryland cybersecurity businesses. A qualified buyer that purchases cybersecurity goods, products or services from a qualified seller may claim a credit against the State income tax in an amount equal to 50% of the cost incurred during the taxable year of the purchase. This may not exceed \$50,000 for each qualified buyer. Aggregate claims in any taxable year for cybersecurity technology purchased from a single qualified seller may not exceed \$200,000. The program is capped at \$2 million for taxable year 2018. Commerce must set aside 25% of the cap each taxable year for cybersecurity services credits. For specific qualified buyer or company qualifications please go to Open.Maryland.gov/resources.

REVISED Cybersecurity Investor Incentive Tax Credit (CIITC)

CIITC provides a refundable income tax credit to a Qualified Investor, which is any individual or entity that invests at least \$25,000 into a Qualified Maryland Cybersecurity Company (QMCC). An investor may receive a credit equal to 33% of an eligible investment in the QMCC. For specific investor or company qualifications please go to Open.Maryland.gov/resources. An investor may receive 50% of the investment up to \$500,000 if the QMCC is located in Allegany, Dorchester, Garrett or Somerset Counties.

Employer Security Clearance Costs Tax Credit (ESCC)

The ESCC Tax Credit provides income tax credits for expenses related to federal security clearance costs, construction of Sensitive Compartmented Information Facilities (SCIFs) and first-year leasing costs for small businesses doing security-based contract work.

Businesses that incur qualified federal security clearance administrative expenses may qualify for a tax credit up to \$200,000. A business may qualify for a 50% tax credit up to \$200,000 for costs related to constructing or renovating a Sensitive Compartmented Information Facility (SCIF) and up to \$500,000 for multiple SCIFs. In addition, a qualified small business that performs security based contracting in Maryland may be eligible for a tax credit up to \$200,000 for the first year of rental payments for spaces leased in Maryland. Businesses must submit an application to the Department by September 15 for expenses incurred in the previous tax year.

The total ESCC tax credit approved by Commerce may not exceed \$2 million for any calendar year. If the total amount of credits applied for by all businesses exceeds \$2 million, the credits will be approved on a pro-rata basis. A taxpayer may either claim the credit for the taxable year in which the expenses were incurred or in any subsequent taxable year after receiving the tax credit certification (effective July 1, 2018). Excess credit may be carried forward until the excess amount is fully used.

Enterprise Zone Tax Credits


The Enterprise Zone program provides real property and state income tax credits for businesses located in a Maryland enterprise zone. The real property tax credit is 80% of the incremental increase in property taxes over the first five years, decreasing 10% annually during the next five years. The income tax credit is a \$1,000 credit per new employee. For economically disadvantaged employees, the credit increases to \$6,000 per new employee over three years. Enhanced credits for both property and income tax credits are available in Enterprise Zone Focus Areas.

Hire Our Veterans Tax Credit

Small businesses with 50 or fewer employees may qualify for income tax credits in return for hiring veterans who have been honorably discharged or released under honorable circumstances. The income tax credit may not exceed 30 percent of up to the first \$6,000 wages paid, and a small business may not claim the credit for more than five qualified veteran employees in a year. Maryland Commerce may issue a maximum of \$500,000 in credits annually.

Tax Credit Programs	Category	Details
Biotechnology Investment Incentive Tax Credit (BIITC)	Biotechnology	Provides an investor with income tax credits equal to 50% of an eligible investment in a Qualified Maryland Biotechnology Company (QMBC), supporting investment in seed and early stage biotech companies.
Brownfields Revitalization Incentive Program (BRIP)	General Location-Based	Provides incentives including tax credits, loans and grants for the redevelopment of eligible brownfield properties in participating jurisdictions.
NEW Buy Maryland Cybersecurity (BMC)	Cybersecurity	Provides an income tax credit of 50% of the purchase price for Maryland companies with 50 or fewer employees that purchase cybersecurity goods, products, or services from Qualified Maryland Cybersecurity Sellers (QMCS).
REVISED Cybersecurity Investor Incentive Tax Credit (CIITC)	Cybersecurity	Provides a refundable income tax credit to Qualified Investors who invest in a Qualified Maryland Cybersecurity Company.
Employer Security Clearances Costs Tax Credit (ESCC)	Cybersecurity	Provides income tax credits for expenses related to federal security clearance costs, construction of Sensitive Compartmented Information Facilities (SCIFs) and first-year leasing costs for small businesses doing security-based contract work.
Enterprise Zone Tax Credits	General Location-Based	Provides real property and state income tax credits for businesses located in a Maryland Enterprise Zone in return for job creation and investments.
Hire Our Veterans Tax Credit	Veteran/Military	Provides a State income tax credit to small businesses for hiring qualified veterans based on wages paid to those veteran employees.
Job Creation Tax Credit	General Job Creation	Businesses that create a minimum number of new full-time positions may be entitled to state income tax credits of up to \$3,000 per job or \$5,000 per job in a "revitalization area."
Maryland Wineries and Vineyards Tax Credit	Agriculture	Provides an income tax credit for qualified capital expenses related to a Maryland winery or vineyard.
More Jobs for Marylanders—Manufacturing Tax Credit	Manufacturing	Provides new and existing manufacturers with tax incentives tied to job creation for a 10-year period, including a refundable income tax credit, and encourages additional investment in new equipment through accelerated and bonus depreciation.
REVISED One Maryland Tax Credit	General	Businesses that invest in an economic development project in a Tier 1 County and create a minimum number of new jobs may qualify for a State income tax credit up to \$5 million depending on the number of jobs and amount of eligible costs.
 Opportunity Zone Tax Credit	General Location-Based	A nationwide initiative administered by the U.S. Treasury the program provides federal tax incentives for investment in distressed communities over the next 10 years. The U.S. Treasury has designated Maryland's 149 Opportunity Zones. The designations will be effective for 10 years. For additional information go to: dhcd.maryland.gov/Pages/OpportunityZones
Regional Institution Strategic Enterprise (RISE) Zone Tax Credit	General Job Creation	A RISE Zone is a geographic area that has a strong connection with a qualified institution and is targeted for increased economic activity and community development. Businesses locating in a RISE Zone or an existing business doing a significant expansion within the Zone, may qualify for real property tax credits and income tax credits related to capital investment and job creation.
Research and Development Tax Credit	Research	Businesses that have qualified R&D expenditures in Maryland may qualify for two state income tax credits, the Basic R&D Tax Credit and the Growth R&D Tax Credit.
NEW Small Business Relief Tax Credit	Small Business	The Small Business Relief Tax Credit is a refundable tax credit available to small businesses that provide their employees with paid sick and safe leave.

More tax credit information, including the application process may be found at commerce.maryland.gov/fund/programs-for-businesses.

 Indicates a program not administered by the Maryland Department of Commerce.



In July 2013, the Dedrick family purchased the 440-acre mansion and property of the historical Bohemia Manor Farm in Chesapeake City and working with vineyard manager Brian Dickerson, they oversaw the transplanting of 14,000 vines in 2014, and then another 10,000 vines in 2015. Under the direction of Winemaker Jacques van der Vyver, **Chateau Bu-De Winery** began producing 10 varieties of reds and whites, earning gold, silver and bronze medals at the Finger Lakes Wine Competition in New York. The tasting room, opened in early October 2017, reflects the initiative to make Chateau Bu-De Winery more than just a local destination. The Maryland Department of Commerce assisted Chateau Bu-De, LLC by certifying two credits through the **Maryland Wineries and Vineyards Tax Credit**.

Job Creation Tax Credit

Businesses that create a minimum number of new full-time positions may be entitled to state income tax credits of up to \$3,000 per job or up to \$5,000 per job in a "revitalization area." Businesses engaged in an eligible activity must create at least 60 new full-time jobs in a 24-month period; this is reduced to 25 new jobs in a JCTC Priority Funding Area, and reduced to 10 new full-time jobs if they are located in a county with average employment of less than 75,000, or a median household income that is less than two-thirds of the statewide median household income. Commerce cannot certify more than \$4 million in tax credits in a calendar year. Credits will be certified on a first-come, first-serve basis based on the availability of credits.

Maryland Wineries and Vineyards Tax Credit

Provides an income tax credit of 25% of qualified capital expenses made in connection with the establishment of new wineries or vineyards, or the capital improvements made to existing wineries or vineyards in Maryland. The credit to all businesses is limited to \$500,000 for each calendar year. If the amount that all businesses apply for exceeds this cap, the credit will be prorated. A taxpayer may either claim the credit for the taxable year in which the expenses were incurred or in any subsequent taxable year after receiving the tax credit certification. The excess credit may be carried forward for 15 years.

More Jobs for Marylanders–Manufacturing Tax Credit

Incentivizes new manufacturers to locate in Maryland and existing manufacturers to expand their workforce. A new manufacturer locating in a Tier 1 county is eligible for: (a) a refundable State income credit; (b) a 100% credit against the State's portion of the real property tax; (c) a refund of sales and use tax; and (d) a waiver of fees charged by the State Department of Assessment and Taxation. An existing manufacturer expanding in a Tier 1 or Tier 2 county is eligible for the refundable income tax credit. Credits are available for a 10-year benefit period. New and existing manufacturers in Tier 1 counties must offer ongoing job training and create at least 5 qualified positions. Existing manufacturers in Tier 2 counties must offer ongoing job training and create at least 10 qualified positions.

REVISED One Maryland Tax Credit

Businesses in an eligible industry sector that invest in an economic development project in a Tier 1 County may qualify for up to \$5 million in income tax credits. The amount of income tax credit that a business will qualify for depends on the amount of eligible project costs it incurs and the number of new qualified jobs it creates in a 24-month period. A business may qualify for the following maximum credit amounts:

- For businesses that create 10-24 qualified positions: maximum \$1 million in credits based on eligible project costs.
- For businesses that create 25-49 qualified positions: maximum \$2.5 million in credits based on eligible project costs.
- For businesses that create at least 50 qualified positions: maximum \$5 million in credits based on eligible project costs.

Eligible project costs include qualifying costs incurred in connection with the acquisition, construction, rehabilitation and installation of a project. Other costs related to furnishing and equipping the project for ordinary business functions also qualify. The credit can be carried forward 10 years and is refundable, subject to certain limitations.

Opportunity Zone Tax Credit

Opportunity Zones will feature a new federal tax incentive designed to drive long-term private investment to distressed communities. Investors will be able to defer and even reduce the federal tax liability on the sale of assets if the gains are placed into an Opportunity Fund, which will pool capital and support investments in small businesses and real estate within the Opportunity Zones in order to improve communities and the quality of life for residents. The program is designed to be flexible; allowing a range of different types of investments, and unlike other federal tax credit programs, there is no authorized cap on the amount of capital that could be made available through Opportunity

Zone investments. The Maryland Department of Housing and Community Development will administer the program with support from the Maryland Department of Commerce. For additional information including contacts go to: dhcd.maryland.gov/Pages/OpportunityZones

Regional Institution Strategic Enterprise (RISE) Zone Program

A RISE Zone is a defined geographic area connected with a qualified institution (including colleges and universities, regional higher education centers, and nonprofit organizations affiliated with a federal agency). The program provides businesses locating in the RISE Zone or existing businesses that expand significantly in the RISE Zone with real property and income tax credits:

- Five-year real property tax credit on property improvement: 50 percent in year one, 10 percent in years two through five. Local jurisdictions can offer a higher percentage credit at their discretion.
- If the RISE Zone is also in an Enterprise Zone the real property tax credit is 80 percent per year for years one through five..
- If the RISE Zone is also in an Enterprise Zone Focus Area the real property tax credit is 100 percent per year for years one through five.
- Income Tax Credit of \$1,000 per new qualified employee or \$6,000 per new employee (over three years) for hiring economically disadvantaged employees.

Research and Development (R&D) Tax Credit

For Maryland businesses that incur Maryland qualified research and development expenses, the Basic R&D tax credit is the lesser of 3% of eligible R&D expenses or 3% of the Maryland Base Amount. The Growth R&D tax credit is 10% of eligible R&D expenses in excess of the Maryland Base Amount. The Basic credit is capped at \$5.5 million annually, and the Growth credit is capped at \$6.5 million. If the amount of credits all businesses apply for exceeds the cap, each business receives its pro rata share. The credit is refundable for small businesses with less than \$5 million in net book value assets.

NEW Small Business Relief Tax Credit

The Small Business Relief Tax Credit is a refundable tax credit available to small businesses that provide their employees with paid sick and safe leave. To qualify for the tax credit, a small business must employ 14 or fewer employees and provide its employees with paid sick and safe leave in accordance with the Maryland Healthy Working Families Act. The amount of the tax credit is up to \$500 per employee and \$7,000 per small business every year a small business qualifies for the credit.

Investments and Loans

A diverse selection of financing tools that primarily includes loans, bonds and contracts provides variety and flexibility to support economic initiatives, small businesses, job creation, non-profits, minority-owned businesses and businesses. These programs may also be combinable with tax credits and other investment or loan programs, based on specific qualifications.

Small Business Assistance

Maryland Small Business Development Financing Authority (MSBDFA)

MSBDFA promotes the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs. The program assists small businesses unable to obtain adequate business financing on reasonable terms through normal financing channels. Meridian Management Group, a private contractor, manages the program's four components and Commerce provides financing for the approved small businesses.

- **Contract Financing Program** – Provides loan guarantees and direct working capital and equipment loans to socially or economically disadvantaged businesses awarded contracts mainly funded by government agencies and/or public utilities.
- **Equity Participation Investment Program** – Provides direct loans, equity investments and loan guarantees to small businesses.
- **Long-Term Guaranty Program** – Provides loan guarantees and interest rate subsidies.
- **Surety Bonding Program** – Assists small contractors in obtaining bonding for primarily funded government or public utility contracts that require bid, performance and payment bonds.

Small, Minority and Women-Owned Businesses Account – Video Lottery Terminal Fund (VLT)

Created with the small business owner in mind, the state's Video Lottery Terminal (VLT) fund uses proceeds from video lottery terminals (slots) to provide financing to qualifying small, minority, and women owned businesses located in targeted areas surrounding six Maryland casinos: Maryland Live in Anne Arundel County, Hollywood Casino Perryville in Cecil County, Rocky Gap in Allegany County, Ocean Downs in Worcester County, Horseshoe Casino in Baltimore City

and National Harbor in Prince George's County. At least 50% of the VLT allocations will be deployed small, minority and women-owned businesses located within a target area of the six casinos. The other 50% will be available to small, minority and women-owned businesses located throughout Maryland.

Maryland Economic Adjustment Fund (MEAF)

MEAF assists small businesses with upgrading manufacturing operations, developing commercial applications for technology, or entering into and competing in new economic markets. Eligible businesses include manufacturers, wholesalers, service companies and skilled trades. Funds can be used for working capital, machinery and equipment, building renovations, real estate acquisitions and site improvements. Funding assistance through MEAF is available to small businesses in all regions of the state.

Economic Development Incentives

Advantage Maryland

A flexible and broad-based program, Advantage Maryland, also known as the Maryland Economic Development Assistance Authority and Fund (MEDAAF), provides grants, loans and investments to support economic development initiatives. Uses include business attraction and retention, infrastructure, brownfield redevelopment, arts and entertainment districts, daycare, revolving loan funds and local strategic planning. Projects must be within Priority Funding Areas and eligible industry sectors. Awards are made on a competitive basis.

Five financing capabilities are offered through Advantage Maryland to assist the business community and local jurisdictions.

- **Strategic Economic Development Opportunities** – Assistance is available on a statewide or regional level and is provided to the business as a loan.
- **Local Economic Development Opportunity** – Funding is provided to businesses for extraordinary economic

development opportunities. The local jurisdiction must sponsor the business and can participate in the form of a guarantee, direct loan or grant equal to at least 10 percent of the state's financial assistance.

- **Direct Assistance to Local Jurisdictions or MEDCO** – The use of funds includes land acquisition, infrastructure improvements, acquisition of fixed assets, leasehold improvements, and up to 70 percent of the cost of a feasibility study, and up to 50 percent of the cost of preparing a local economic development strategic plan.
- **Regional or Local Revolving Loan Fund** – Eligible applicants include county or regional development agencies. A jurisdiction may transfer all or part of its allocation to a regional revolving loan fund. The local government must provide matching grant funds to local revolving loan funds.

Chesapeake Light Craft (CLC), set up shop in Annapolis, Maryland in 1995 with a mission to offer high-performance kayaks that were easy to build. As of spring 2016, CLC sold over 30,000 boat kits and employed 21 full-time employees. Featured on the History Channel's "Modern Marvels," CLC is considered the largest boat kit manufacturer in the country with an expanded product line that includes rowing and sailing crafts, the teardrop camper, instructional materials and increased boatbuilding classes. Anne Arundel Economic Development Corporation tapped the **Small, Minority and Women-Owned Business Account – Video Lottery Terminal Fund (VLT)** to provide CLC with a \$40,000 loan to create an annual product catalog.

- **Special Purpose Funds** – This program targets specific funding initiatives deemed critical to the state. The program determines the level and type of financial assistance. Special purpose programs include Brownfields and Arts & Entertainment..

Credit Enhancements

Maryland Industrial Development Financing Authority (MIDFA)

MIDFA encourages private sector investments with insurance and the issuance of tax-exempt and taxable revenue bonds. Insurance reduces the lender's credit risk. All projects must be in a Priority Funding Area.

Credit Insurance

- **Bond Program** – Insures bonds up to 100 percent not to exceed \$7.5 million of taxable or tax-exempt bonds.
- **Conventional Program** – Insures up to 80 percent not to exceed \$2.5 million of a transaction made by a financial institution. Export transactions may be insured up to 90 percent.

Private Activity Revenue Bonds

- **Taxable Bond** – Provides access to long-term capital markets primarily for fixed asset financing.
- **Tax-Exempt Bond** – Provides access to long-term capital markets for fixed asset financing at tax-exempt rates. Eligibility is limited by federal tax law to 501(c)(3) non-profit organizations, manufacturing facilities and certain solid waste projects. Additional limitations apply to the specific transaction type.



Investment/Loan Programs	Type	Category	Details
Economic Development Opportunities Fund (Sunny Day)	Grant Investment Loan	Job Creation	Supports extraordinary economic development opportunities that create and retain employment as well as create significant capital investments.
* Forestry Equipment and Working Capital Loan (FEWCL)	Loan	Agriculture	Offers low-interest loans to Maryland's forest products businesses with respect to working capital and equipment purchases. For additional information go to : http://www.marbidco.org/loans/fewc.html
Maryland Economic Adjustment Fund (MEAF)	Grant Loan	Small Business Manufacturing	Assists business entities in the state with modernization of manufacturing operations, development of commercial applications for technology, and exploring and entering new markets.
Advantage Maryland (also known as the Maryland Economic Development Assistance Authority and Fund- MEDAAF)	Grant Investment Loan	Location-Based General Economic Development Partners	Provides grants, loans and investments to support economic development initiatives in priority funding areas of the state. Uses include business attraction and retention, infrastructure, brownfield redevelopment, A&E districts, daycare, revolving loan funds and local strategic planning.
Maryland Industrial Development Financing Authority (MIDFA)	Bond Loan Guarantee	For Lending Institutions Location-Based	Encourages private sector investments with insurance, and the issuance of tax-exempt and taxable revenue bonds for projects located in Priority Funding Areas. Uses include land acquisition, building acquisition, construction costs and more.
Maryland Nonprofit Development Center Program and Fund - Nonprofit, Interest-Free, Micro Bridge Loan Account (NIMBL)	Loan	Nonprofits	This interest-free, micro bridge loan program supports the operations of nonprofit entities. The program provides short-term financing support to qualifying nonprofit entities between the award date of a government contract and the actual receipt date of those awarded funds.
* Maryland Resource-Based Industry Financing Fund Loan (MRBIFF)	Loan	Agriculture	Offers low-interest loans to established Agricultural/ Resource-Based Industry firms for the purchase of land and capital equipment for production and processing activities, and environmental or water-quality enhancement projects. For additional information go to: http://www.marbidco.org/loans/mrbif.html
Maryland Small Business Development Fund Authority (MSBDFA)	Bond Contract Finance Investment Loan Guarantee	Small Business, Minority, Women-Owned Businesses	Assists small businesses unable to obtain adequate business financing on reasonable terms through normal financing channels.
* Maryland Vineyard Planting Loan Fund (MVPLF)	Loan	Agriculture	Helps meet the unique financing needs of Maryland's rural landowners wanting to plant vineyards and develop wineries.
Military Personnel and Veteran-Owned Small Business Loan Program (MPVSBPL)	Loan	Veteran/Military	No interest loans of up to \$50,000 for businesses owned by military reservists, veterans, National Guard personnel and for small businesses that employ or are owned by such persons.
* Rural Business Working Capital Fund Loan (RBWCL)	Loan	Agriculture	Offers low-interest loans to established Agricultural/ Resource-Based Industry firms and producers for working capital and equipment purchases. For additional information go to: http://www.marbidco.org/loans/rbwc.html
Small, Minority and Women-Owned Businesses Account- Video Lottery Terminal Fund (VLT)	Loan	Small Business, Minority, Women-Owned Businesses	Uses proceeds from video lottery terminals (slots) to provide financing to qualifying small, minority and women-owned businesses located in targeted areas surrounding six Maryland casinos.

Additional investment/loan information, including the application process may be found at commerce.maryland.gov/fund/programs-for-businesses.

* Indicates a program not administered by the Maryland Department of Commerce.



For more than 20 years, **Choptank Transport**, a full-service third-party logistics company, has specialized in shipping a variety of freight via road, rail, air, and sea, with a record of having one of the fastest growth rates in the industry for the past decade. Headquartered in the town of Preston in Caroline County, the company has worked tirelessly to achieve their goal of getting customers the best rate and fastest delivery time for both refrigerated and dry products. The company has additional offices in Baltimore, Tampa, Denver, Dallas, and Atlanta and also serves Canada, Mexico and other international destinations. Commerce approved a \$125,000 **Maryland Economic Development Assistance Authority and Fund (MEDAAF)** conditional loan to assist with a 4,000-square-foot expansion.

Grants

Grants are often created to meet specific guidelines and goals for certain industries, locations and demographics and are often used to finance the investigation of a business concept, provide working capital for ramping-up a business. Additional grant program uses available to Maryland businesses include workforce training, export marketing, and agricultural or energy related support are just a sampling of grant resources available to Maryland businesses.

ADVANCE Maryland

In partnership with the National Center for Economic Gardening, ADVANCE Maryland is a program for second-stage entrepreneurs that helps businesses address their unique challenges and identify new opportunities. Economic Gardening is a “grow from within” strategy targeting existing growth companies and offering them critical strategic information customized to their needs. This information can be key to propelling the company to its next phase of growth. ADVANCE Maryland is Maryland’s adaptation of economic gardening.

Who Should Apply?

Participants must:

- Be a for-profit, privately-held company headquartered in Maryland

- Generate annual revenue or working capital of between \$1 million and \$50 million
- Employ between 10 and 99 full-time employees
- Demonstrate growth in employment and/or revenue during two of the past five years
- Provide products or services beyond the local area to regional, national or global markets
- Be referred by a participating economic development agency or Entrepreneur Support Organization

What to Expect

- Fees: No cost to selected companies. Costs are covered by regional or state organizations
- Time: Accepted companies spend 8 to 12 hours collaborating with their research team. The team, in

turn, works through the project plan and develops recommendations and next steps for your company

- **Potential Projects:** Identifying and prioritizing sales leads and business opportunities; refining your core strategies and business model; and using social media to connect with customers and create buzz about your products or services
- **Logistics:** All communications are handled through the phone and a secure online portal where a workspace will be assigned to your company

Applications are currently being accepted and reviewed on a rolling basis.

ExportMD Program

The ExportMD Program helps to offset some of the costs of marketing internationally for Maryland's small and mid-sized companies.

Benefits

Maryland companies that receive an ExportMD Award are eligible for up to \$5,000 in reimbursement for expenses associated with an international marketing project. The program is funded in part through a Cooperative Agreement with the U.S. Small Business Administration.

Eligible expenses are any expenses related to an international marketing initiative including trade show fees, airfare, translation of brochures and web site development.

Companies that do not qualify for the ExportMD program can still receive other forms of assistance through the

Maryland Office of International Investment and Trade (OIIT). Please contact the office to learn what resources may be available to your firm.

Qualifications

To qualify, a company:

- Must have business operations in Maryland and be in good standing with the Maryland Department of Assessments and Taxation;
- Must be in existence for at least one year;
- Must not have received an ExportMD Award in the last 2 years;
- Is a "small business" as defined by the SBA**; and
- Is planning an international business initiative to commence and conclude within six months of the application deadline — at the very latest.

***Companies must not exceed the employee number or annual sales figure thresholds as set by the U.S. Small Business Administration (as determined by an ExportMD applicant's North American Industry Classification System (NAICS) industry code, and including any affiliated companies, such as "parent" businesses and subsidiaries — of either).*

Applications

Contact OIIT at 410-767-0685 and tell us about your international marketing plan. You will be connected with a regional manager who will provide you with additional details about the program and the application form, and will guide you through the application process.

Commerce accepts ExportMD grant applications from qualifying companies on a monthly basis. Applications are due on the 1st of each month. Maryland E-Innovation Initiative Fund (MEIF)



RBtec, a leading manufacturer of sensors, electronic, controllers, cables, and software to provide complete end-to-end perimeter intrusion detection systems, used its ExportMD grant to travel with the Maryland delegation to Mexico City to Expo Seguridad, the largest exhibition of security products and solutions in Latin America.

"Having this assistance allowed us to minimize the risk of entering a new territory, where we hope to grow for years to come..." said Dori Ribak, vice president of sales and marketing at RBtec.

Grant Programs	Category	Details
ADVANCE Maryland	Small Business Research Job Creation	Economic gardening program for second-stage entrepreneurs that offers businesses critical strategic information customized to their needs.
Base Realignment and Closure (BRAC) Revitalization and Incentive Zone	Economic Development Partners	Provides local governments with financial assistance for public infrastructure in BRAC areas already designated for growth.
ExportMD Program	International Startup Small Business	Helps to offset some of the costs of marketing internationally for Maryland's small and mid-sized companies, providing up to \$5,000 in reimbursement for expenses associated with an international marketing project.
Maryland E-Innovation Initiative Fund (MEIF)	Research Higher Education	Offers a state match to private funds raised in support of endowed chairs at Maryland's nonprofit institutions of higher education. Under the fund, \$8.5 million will be appropriated by the Governor annually from fiscal 2016 through 2021.
* Maryland Energy Administration (MEA) Incentives	Energy	Learn more about Maryland energy grants, loans, rebates and tax incentives designed to help attain the state's goals in energy reduction, renewable energy, climate action and green jobs. For additional information go to: http://energy.maryland.gov/Pages/all-incentives.aspx
* Maryland Momentum Fund	Research Higher Education	Fund for investing in promising early stage companies associated with the University System of Maryland (USM). Maryland-based companies that are seeking equity financing or debt financing that is convertible into equity may apply. For additional information go to: http://www.otc.umd.edu/node/87
* Maryland Value Added Producer Grants Program	Agriculture	Makes grants available to those pursuing obtaining financial support from the USDA's Value Added Producer Grants Program. For additional information go to: http://www.marbidco.org/business/mvapg.html
* Offshore Wind Business Development Grant Program	Energy	The Maryland Energy Administration program provides grant funding on a competitive basis to help defray barrier entry costs of Maryland's emerging businesses; including minority-owned emerging businesses entering the global offshore wind industry. For additional information go to: http://energy.maryland.gov/Pages/Info/renewable/offshorewindbusinessdevelopment.aspx
Partnership for Workforce Quality (PWQ)	Technology Manufacturing	Provides matching training grants and support services targeted to improve the competitive position of small and mid-sized manufacturing and technology companies.
* Rural Business Energy Efficiency Program	Energy Agriculture	Facilitates the purchase of equipment or technology related to lowering business-related energy consumption. For additional information go to: http://www.marbidco.org/business/rbee.html
* U.S. Department of Agriculture (USDA) Programs and Services for Businesses	Agriculture	USDA provides funding opportunities for rural small businesses through loans, loan guarantees and grants. For additional information go to: https://www.rd.usda.gov/programs-services/programs-services-businesses

* Indicates a program not administered by the Maryland Department of Commerce.



Dunlop Protective Footwear, a leading global manufacturer of protective footwear located in Harford County, is expanding its United States-based production to meet market demands. In 2017, Dunlop started producing its iconic Purofort® boots in the USA, and the company's products are currently available in more than 50 countries throughout the world. With assistance from a \$100,000 **Partnership for Workforce Quality (PWQ)** training grant, the company expects to increase production and train employees in software development and integration.

Maryland E-Nnovation Initiative Fund

The Maryland E-Nnovation Initiative Fund (MEIF), administered by the Maryland Department of Commerce, offers a state match to private funds raised in support of endowed chairs at Maryland's higher education institutions.

Benefit

Under the fund, \$8.5 million will be appropriated by the Governor annually from fiscal 2016 through 2021. Investment earnings on the endowments will be expended to further basic and applied research in scientific and technical fields of study as specified by the bill and as determined by the Maryland E-Nnovation Initiative Fund Authority.

Eligibility

Nonprofit institutions of higher education in Maryland may apply for this state funding to establish research endowments and, upon securing matching private donations, MEIF funds may be distributed to the endowments.

Apply

All applications must be submitted by mail or other delivery method (e.g. hand delivery) to the address below in original hard copy format:

Maryland E-Nnovation Initiative Fund Authority
c/o Maryland Department of Commerce
World Trade Center
401 E. Pratt Street - 15th Floor
Baltimore, MD 21202

Partnership for Workforce Quality

Partnership for Workforce Quality (PWQ) provides matching training grants and support services targeted to improve the competitive position of small and mid-sized manufacturing and technology companies. Grants are used to increase the skills of existing workers for new technologies and production processes, improve employee productivity and increase employment stability.

Benefits

Matching grant funds are used to reimburse up to 50% of the costs of qualified projects.

Eligibility

Applicants must be a Maryland employer, must be in good standing with the Maryland Department of Assessments and Taxation, and not be in default with any Commerce program.

Applicants should have a minimum of ten full-time employees. At least 60% of available funds must be awarded to employers with 150 or fewer employees in the State. The Program encourages the participation of small and minority-owned businesses.

Priority will be given to manufacturing and technology companies. In regions of the State where regionally important industries have been identified beyond manufacturing and technology, justification should be provided to approve PWQ funding.

Apply

To apply for PWQ funding, contact the regional representative from the Maryland Department of Commerce who covers the county or region where you are located.

VC and Tech Transfer

The **Maryland Technology and Development Corporation** (TEDCO) was created by the Maryland State Legislature in 1998 to facilitate the transfer and commercialization of technology from Maryland's research universities and federal labs into the marketplace and to assist in the creation and growth of technology-based businesses in all regions of the State. TEDCO provides resources and connections that early stage technology and life sciences companies need to thrive in Maryland. An independent organization, TEDCO strives to be Maryland's lead source for **entrepreneurial business assistance and seed funding for the development of startup companies** in Maryland's innovation economy.

The **University of Maryland's Industrial Partnerships** (MIPS) program has been very active and successful assisting Maryland companies— 500 of them— with the **development and transfer of research based projects**. Technologies developed and commercialized in collaboration with the MIPS program over its 30-year history generated over \$4.7 billion in product sales and supported 7,150 ongoing jobs in Maryland in calendar 2017 alone. When the multiplier-based economic impacts associated with this activity are included, the economic impacts associated with the production and sale of these commercialized technologies total almost \$7.5 billion in annual economic activity in Maryland, supporting 22,915 jobs earning \$2.2 billion in labor income.

Funding Programs	Type	Category	Details
* UM Maryland Industrial Partnerships (MIPS) Program)	Tech Transfer	Technology Startup Research Higher Education	Provides funding, matched by participating companies, for university-based research projects that help companies develop new products. For additional information go to: http://www.mips.umd.edu
* TEDCO Seed Investment Funds	Venture Capital	Technology Startup	Supports small, seed-stage, for-profit Maryland companies in their effort to develop and commercialize new technology-based products. For additional information go to: http://tedco.md/program/seed-funding-program/

* Indicates a program not administered by the Maryland Department of Commerce.

About Maryland Commerce

In addition to the **Office of Finance Programs** providing assistance with various financial incentives for businesses,

Maryland Commerce provides business assistance, retention and attraction services. Seasoned business development teams at Commerce include expertise in cyber development, aerospace, biohealth and life sciences, advanced manufacturing, financial and professional services, distribution and logistics, agribusiness and energy, and entrepreneurship.

The **Business and Industry Sector Development** team includes local and regional field staff that provide personalized attention to the small business owner with the necessary tools to start and grow a business. Representatives assist companies of all sizes seeking to expand their markets, their workforce or physical space within the state.

Business experts can help you:

- Navigate local, state and federal government regulations, processes and resources.
- Understand permit and license requirements.
- Identify customer/supplier connections.

Commerce also assists with business interests in the following:

Office of International Investment and Trade

Maryland Commerce has a network of 18 International Trade Offices overseas encouraging **Foreign Direct Investment** in the state: Africa, Australia, Brazil, Canada, Chile, China,

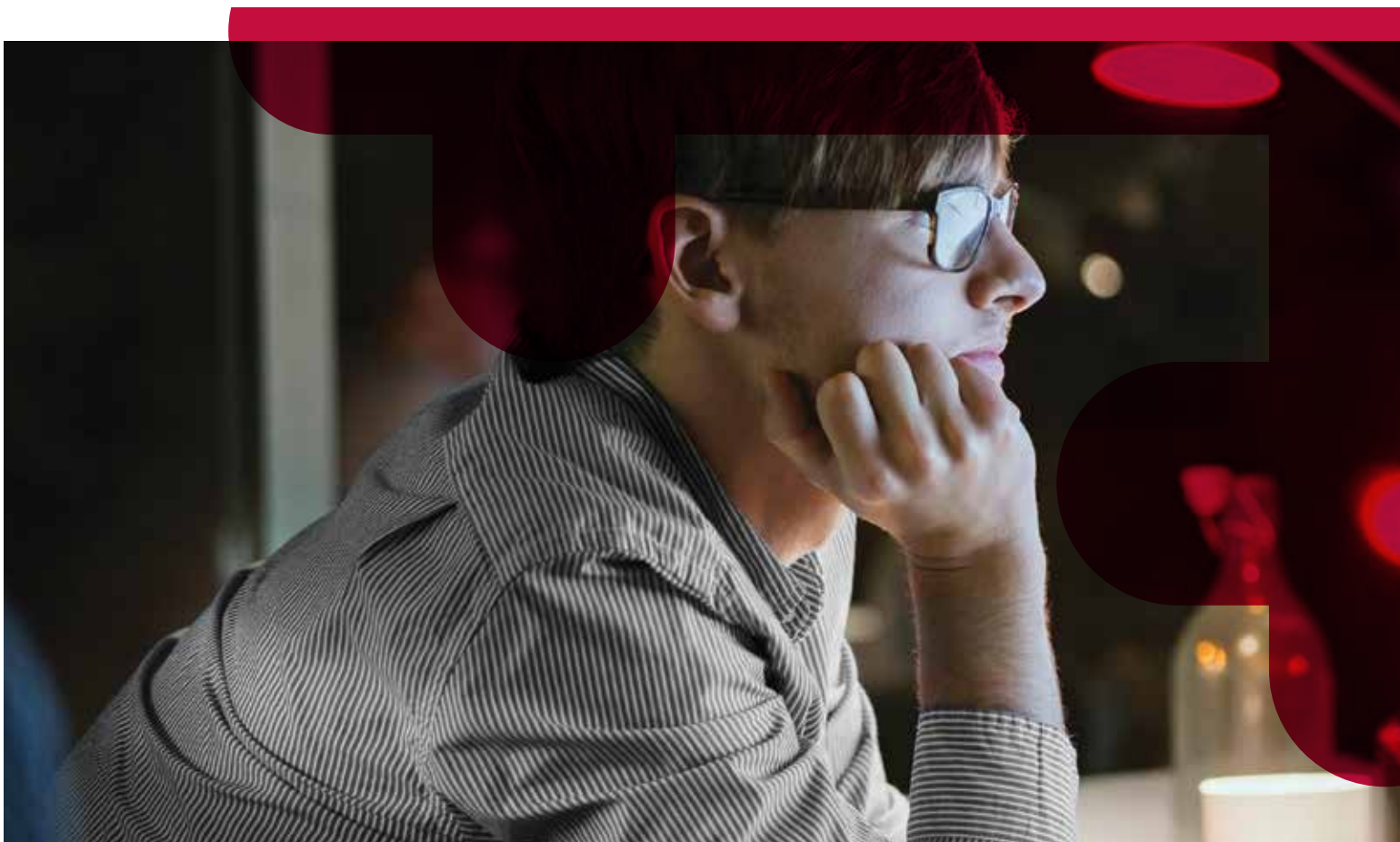
Colombia, France, India, Israel, Japan, Mexico, Peru, Singapore, Taiwan, the United Kingdom and United Arab Emirates. Investment only services offered in South Korea.

The International team also works with Maryland businesses to facilitate the export of products to global markets and initiate or expand overseas marketing. The ExportMD program offers Maryland small and mid-size companies up to \$5,000 reimbursement for expenses associated with an international marketing project.

Office of Military and Federal Affairs

OMFA advocates for the state's 60 federal facilities and more than 20 military facilities to sustain and grow the military and federal mission in Maryland. The team also connects Maryland businesses to opportunities at these facilities. Maryland's hub for business-to-government contracting opportunities includes:

- The Department of Commerce offers a free online network/search tool, the **Maryland Defense Network (MDN)**, to help visualize the impact of defense spending in Maryland, and to help Maryland defense companies see and be seen for contractor and subcontractor opportunities. MarylandDefenseNetwork.org
- The **Maryland Defense Diversification Assistance Program** provides training and services to help eligible defense-dependent companies diversify their businesses. Commerce.Maryland.gov/MDDA



Open.Maryland.gov

Your One Stop Resource for Maryland Business

Develop a business plan

A solid business plan is a critical step to starting any company. The **U.S. Small Business Administration (SBA)** provides detailed resources on business plans. The Small Business Development Center Network and SCORE also provide guidance on creating a business plan.

[SBA.gov](https://www.sba.gov)

[MarylandSBDC.org](https://marylandsbdc.org)

Determine what type of business to start

New businesses must identify in a business structure. According to the **Maryland Department of Assessment and Taxation**, the four most common business structures are the sole proprietorship, partnership, corporation and limited liability company. Each structure has certain advantages and disadvantages. Choosing the appropriate organizational structure for your business is one of the most important decisions made and may require advice from an attorney, accountant or other professional advisor.

[DAT.Maryland.gov/businesses/Pages/Maryland-Checklist-for-New-Businesses.aspx](https://dat.maryland.gov/businesses/Pages/Maryland-Checklist-for-New-Businesses.aspx)

Register a business

Maryland businesses must register for the **Maryland Business Express** portal, administered by the Department of Assessments and Taxation. The portal offers a step-by-step process to register a business online.

[Business Express.Maryland.gov](https://BusinessExpress.Maryland.gov)

Find a location

Find the best industrial sites & commercial buildings to locate your business a using the **ZoomProspector**, a powerful real estate business site planning, location analysis & GIS data sponsored by Maryland Department of Commerce.

Maryland.ZoomProspector.com

Find out if you need a business permit or license

Many businesses require permits or licenses to operate. In addition to business licenses, you, or the professionals you hire, may need individual occupational and professional licenses. Once you have registered your business, search Maryland's statewide licensing database and county licensing database to see what's required. If you have specific questions about statewide licenses, or the status of your license, contact the **Department of Labor, Licensing & Regulation**. dllr.state.md.us

Establish business tax ID/EIN

New businesses must contact the Internal Revenue Service to register for a Federal Employer Identification Number (EIN), which is necessary for business and employee withholding, federal unemployment insurance, and other tax scenarios. EINs can also be established through **Maryland Business Express** when you register your business.

[Business Express.Maryland.gov](https://BusinessExpress.Maryland.gov)

Find qualified talent

The Department of Labor, Licensing & Regulation manages **Maryland Workforce Exchange**, an online database where employers can post jobs and search for qualified candidates.

MWEJobs.Maryland.gov



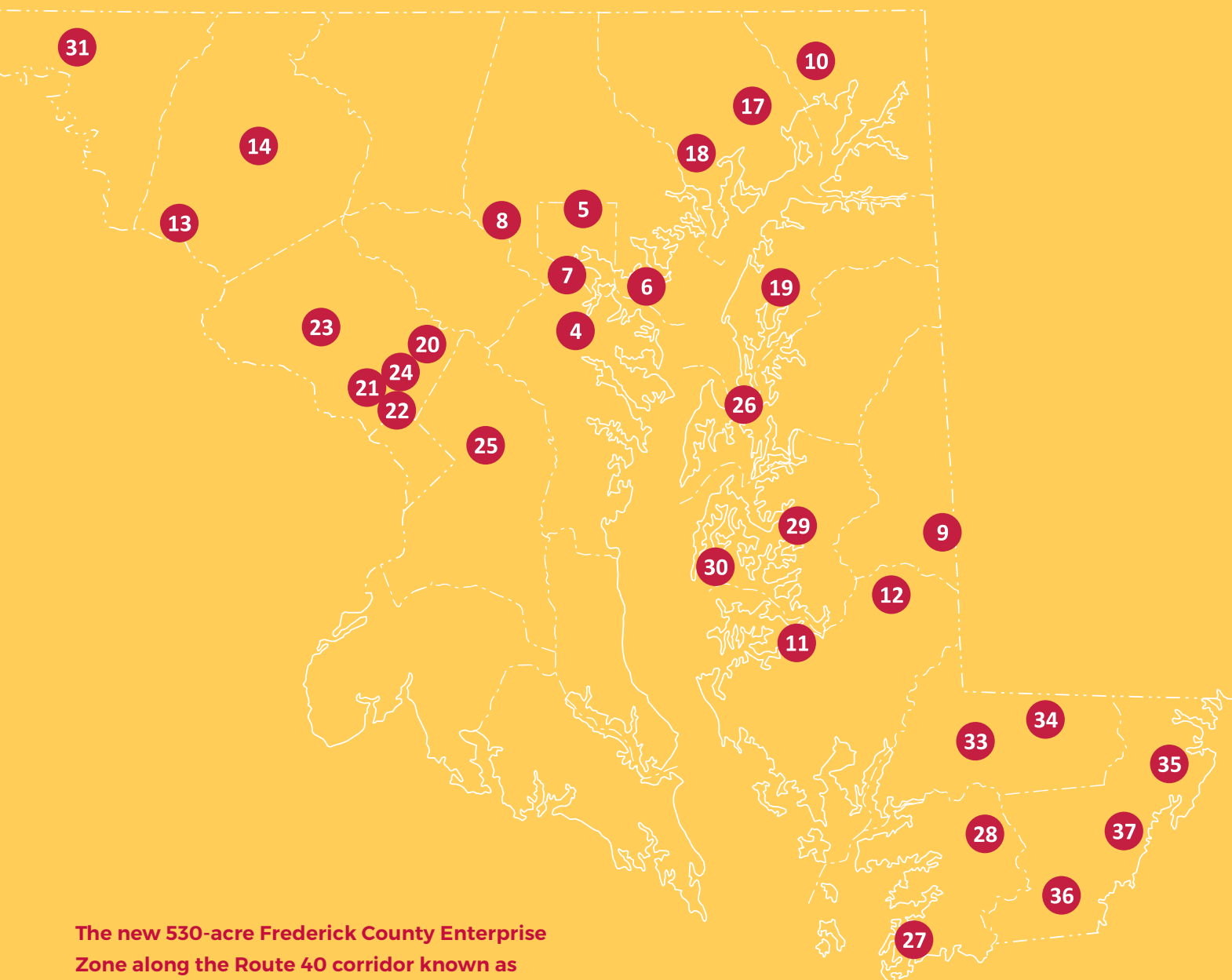
Enterprise Zones

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 also be qualified for personal property tax credits on new investment in personal property and enhanced income tax credit for creating new jobs.



- 1 Allegany** – Frostburg
- 2 Allegany** – Cumberland
- 3 Allegany** – Route 220 South
- 4 Anne Arundel** – North Central
- 5 Baltimore City**
- 6 Baltimore** – Chesapeake
- 7 Baltimore** – Southwest
- 8 Baltimore** – Woodlawn
- 9 Caroline** – Federalsburg
- 10 Cecil**
- 11 Dorchester** – Cambridge
- 12 Dorchester** – Hurlock
- 13 Frederick** – City of Brunswick
- 14 Frederick** – City of Frederick
- 15 Garrett** – Southern Garrett Industrial Park
- 16 Garrett** – Northern Garrett Industrial Park
- 17 Harford** – Aberdeen/Havre de Grace

- 18 Harford** – Edgewood
- 19 Kent** – Town of Chestertown
- 20 Montgomery** – Burtonsville/Briggs Chaney
- 21 Montgomery** – Glenmount
- 22 Montgomery** – Long Branch/Takoma Park
- 23 Montgomery** – Olde Town Gaithersburg
- 24 Montgomery** – Wheaton
- 25 Prince George's**
- 26 Queen Anne's**
- 27 Somerset** – Chrisfield
- 28 Somerset** – Princess Anne
- 29 Talbot** – Easton
- 30 Talbot** – Tilghman
- 31 Washington** – Hagerstown
- 32 Washington** – Hancock
- 33 Wicomico** – Fruitland
- 34 Wicomico** – Salisbury
- 35 Worcester** – Berlin
- 36 Worcester** – Pocomoke City
- 37 Worcester** – Snow Hill



The new 530-acre Frederick County Enterprise Zone along the Route 40 corridor known as the ‘Golden Mile’ includes approximately 350 businesses and 28 percent of the total commercial area in the City of Frederick.

“The City of Frederick is thrilled to receive an enterprise zone designation for the Golden Mile,” said Mayor Michael O’Connor. “It is the largest retail corridor in the city with diverse national and independent establishments. The enterprise zone designation helps take the Golden Mile to

the next level—driving new investment, innovation, entertainment and retail opportunities. Between the recent kick-off of the mall re-tenanting project and the advancing plans for Westside Regional Park, Frederick’s west side is positioned for a renaissance and this tool will help create additional incentives for capital investment and job creation in this area of the city.”

Visit [Open.Maryland.gov/funding](https://open.maryland.gov/funding)
for more information about financing
and incentives in Maryland.

