MARYLAND BUSINESS TAX REFORM COMMISSION

Raymond S. Wacks, Chairman

BUSINESS INCENTIVES IN THE TAX CODE SUBCOMMITTEE

January 25, 2010
Minutes of Meeting

A meeting of the Maryland Business Tax Reform Commission, Business Incentives in the Tax Code Subcommittee was held in the Louis L. Goldstein Treasury Building on Monday, January 25, 2010 at 2:00 p.m.

Those present were:

Raymond S. Wacks, Chairman

Steven Banks, Greater Baltimore Committee
Secretary Christian Johansson, Department of Business and Economic Development
James F. Kercheval, Maryland Association of Counties
Senator Richard S. Madaleno, Jr.
Robert Young, representative for C. John Sullivan
Karen Syrylo, Maryland Chamber of Commerce
Linda Tanton, Deputy Comptroller

David Roose, Bureau of Revenue Estimates
Marc Nicole, Department of Budget and Management

Speakers present were:

Michael Sanderson, Maryland Association of Counties
Andrew Schaufele, Bureau of Revenue Estimates
Mark Vulcan, Department of Business and Economic Development

The meeting was open to the public and members of the local government, state government, media, as well as others, were in attendance.

Chairman Raymond Wacks opened the meeting at 2:00 p.m. by motioning to adopt the minutes of the 11/12/2009 and 12/3/2009 meetings. Secretary Christain Johansson seconded.

Chairman Raymond Wacks introduced Michael Sanderson, Legislative Director, Maryland Association of Counties guest speaker.

Local Government Perspective on Business Taxes

Michael Sanderson introduced Sharon F. Greisz, Howard County Director of Finance who is also joining him today.

Michael Sanderson: Let me offer a few broad comments and talk about local taxation as it relates to the business community. The local tax structure in Maryland is a little bit similar from most other states. Maryland is more reliant on income taxes than in any other jurisdictions in the nation. There are local income taxes place by place; a lot of them are in one particular city or a handful of particular places within a given state. There's no other state that relies on personal income tax the way that Maryland does. That really is a policy decision that defines local government taxation in Maryland. Big picture; we don't rely on property taxes as much as the local governments of states around us or states across the country. Principally because the local income tax is a substantial component of the overall revenue structure in this state. It is a policy decision made a number of years ago and I am sure there are minds greater than mine who have weighed the pros and cons of that decision but ultimately that is what leads us to the mix that we have.

Representing county governments, counties in particular in Maryland have an awfully broad range of responsibilities which go beyond the comparable responsibilities for counties in other states. We don't have schools that have independent taxing authority, we don't have the breath of towns and townships that other small units of government that provide a wide range of services like in a lot of states around us. Counties are a centerpiece of local public finance and taxation.

The property tax still is the single dominant component of local revenues, however, even if that's less the case than in some other states. A couple things relevant to the property tax generally; go through the section of the Tax Property Article that details administration of the property tax; one thing that Maryland has done on a pretty broad basis, granted local governments a wide array of local option tax credits or incentives. A lot of these are business specific, that's not the entire list but Title 9, Subtitle 2 of the tax property article is literally a laundry list of things added and refined by the General Assembly and the policy making apparatus here in Annapolis to give flexibility and direction to local governments. In most cases these have been local options. The list of things that can be done on the local level to give some relief under the property tax is relatively broad. From the county perspective it is a little peculiar that we don't have a law that is as simple as the county governments are empowered to manage the property tax as they see fit and to create a new incentive program in response to local pressure from the local business community or any other community. By large the counties are under the control of state law in that regard, which is a little peculiar. I remember a couple years ago there was this particular incentive to try and provide some property tax relief for incubator properties. It struck a number of folks as peculiar that we had to go to Annapolis to enact a law to allow local governments to essentially waive the local property tax on incubator properties. Why doesn't the county council think about this issue rather than the state government? The best answer is, "that's how we do it here in Maryland."

In the aggregate, we are, to some degree we are under the control of our friends in the General Assembly but in the big picture the General Assembly has been awfully responsive when local governments have sought some flexibility on this front to administer the property tax; use some sort of credit or exemption to add some fairness or flexibility to that locally.

Another component of local taxation which comes up with the business community with some frequency; Maryland's use of transfer and recordation taxes, the transactional taxes that affect real property ownership.

The state law there is also a literal laundry list of exemptions from the application of transfer taxes and by extension of recordation taxes; the two are largely married on that front.

Essentially the state defines the base for transfer and recordation taxes and that it is carried down to every jurisdiction to impose locally. It is different than the property tax model where the bulk of credits and incentives are local option. The transfer tax area the state essentially defines the base; the locals tax it at the rate that they select, when you don't have the opt-in mechanism in place.

States are all over the map on taxation of personal property. Maryland has a limited degree to taxation on personal property that's defined in some back handed ways. Technically the state has a tax on personal property but the rate has been set a zero for as long as anyone can recall. In effect, it's not a state tax; it's exclusively a local tax. We have four counties who have outright exempted all personal property period. A number of jurisdictions have made use of the local option to provide exemptions under personal property. There are a few big categories of personal property that counties have had the option to exempt, for example, commercial inventory, manufacturing inventory and then equipment for manufacturing and research and development purposes. If you looked at that local option some years ago; 10, 15, 20 years ago you would have seen a patchwork among jurisdictions; some have exercised their ability to give an exemption, others had done so partially and others have probably not used it at all. Over time this issue has become statewide; commercial inventory is now exempted by 23 out of 24 jurisdictions completely. We nominally have a tax on commercial inventory that is a local decision whether to exempt; we now have 23 exempting completely, one jurisdiction exempts it by two thirds; it's effectively a tax that has gone away. Inventory, if for manufacturers and R & D Enterprises, all 24 jurisdictions completely exempt all that property. The actual machinery and equipment for manufacturer's, it's now up to 21 of 24 counties who provided complete exemption. This used to be a patchwork, it used to be hit or miss; jurisdictions by jurisdiction; we are now approaching to the point where all three of those major categories of personal property are close to being wholly exempted by the counties.

It was not that long ago that the Research & Development was added as another component with the local governments would have the option to weigh it. We have seen it mixed in with the manufacturing machinery but that's another area that almost every jurisdiction has followed suit in and granted the exemption.

I offer one other comment just generally about tax credit programs and local use of them; this is the former advisor of the General Assembly on tax issues from a number of years ago. There used to be a tax expenditures report that took a look at tax incentive programs and tried to make some documentation of how widely they were used, what was the practical effect of the states finances. Through whatever policy apparatus's; that report is not widely distributed.

Marc Nicole: We just posted the most recent report, through fiscal year 2010 on our website last week. The next report is due for fiscal year 2012 in February. It addresses predominately state taxation although there are some footnotes which pertain to local governments.

http://dbm.maryland.gov/agencies/operbudget/documents/2010taxexpendreport.pdf

Raymond Wacks: What issues do you find about local taxation and local tax credits, if any?

Steven Banks: I think it is individual. The idea of 23 counties adopting the exemption of personal property tax; is the issue that you have to go back to the state?

Michael Sanderson: To clarify the issue; the degree to which the counties have to come to Annapolis (General Assembly) to ask for something new.

Things like commercial inventory was already done by the state legislature, made a local option and everybody is taking advantage of it; that issue is basically a done deal. Let's say this body makes recommendations saying, "We think there ought to be some flexibility with local property tax on something new that we haven't thought of before." We would probably argue, and this isn't a formal position of my association, we would probably argue if what you are talking about are local revenues that are essentially set in concept by the elected officials of the local jurisdiction, to bring Annapolis into it just to give us the authority to manage our own taxes seems like a redundant step.

If Annapolis wants to step in and mandate something, we can have a policy debate about that but the idea of Annapolis telling Montgomery County, "ok, know you have the authority to give a tax incentive for incubator projects", most folks thought, "why can't you just do this on your own."

Steven Banks: Is there anybody in Annapolis giving you a good policy reason why the rules are the way they are or is just something no one has ever looked at?

Raymond Wacks: Mr. Young looks like he would like to say something.

Robert Young: *Mr. Young stands in for C. John Sullivan, Department of Assessments & Taxation.* You have to look at the history of why there is a State Department of Assessments and Taxation. Why the state assumed that responsibility; Governor Mandel was the governor at that time and there were problems when the counties did assessments. There were wholesale properties not being reassessed for years, at the time Baltimore County had not be reassessed and there were court challenges and issues of that nature so when Baltimore County residents received their next assessment, it was 90% across the board assessment increase in one year. Also related to that is the state aid formulas; the exemptions effect state aid for education. There was a feeling at the time, again before my time, was that if the state has the responsibility for the aid formulas, if the state wants to review uniformity, assume the responsibility of having a statewide assessment system, the General Assembly is the proper body to say with property taxes, when you ask us for state aid for other things with property taxes, we want to have the component so its uniformity in terms of fairness, that is my understanding of why the system is the way it is.

Raymond Wacks: My legal understanding is that the state holds all power and grants to the county only those powers that is chooses to grant and it has been very tight about the power to tax and giving very limited new taxing powers and has required each local jurisdiction to get specific approval on each new local tax. So very few jurisdictions have the power, if any, maybe the city and Montgomery County have some in their charter which were granted by the state many years ago. The legislature has held that power very tightly.

Michael Sanderson: I don't mean to leave the impression that it's only in tax and tax administration where this curiosity arises. The delegation of powers from the state to its counties is a curiosity in many places.

Michael Sanderson: For the record; our organization and I think our sister organization representing municipal governments has always believed that Maryland system is the ideal system. We are not interested in running the assessment function and having that kind of control; we think Maryland has this right.

Senator Madaleno: I have a question about personal property tax and try to compare what we do to the personal property taxes to D.C. and Virginia. How do the three jurisdictions differ?

Michael Sanderson: I am probably going to come up short in giving you a reasonable analysis on that. The last time I looked at this, as we look southward we tend to compare pretty favorable on personal property. In Virginia much about the car tax, where even individuals who own a motor vehicle pay an annual assessment on that. The property tax is always a tax that folks have difficulty paying.

To compare Maryland to the Commonwealth of Virginia, Maryland compares relatively favorably. I'm not sure how fine a description that against multiple jurisdictions but I am sure we can take a look on that front and get back to you. (*Response received 6/2/2010) Please refer to link on website.*

Senator Madaleno: It would just seem to me that the evaluation of personal property that would seem to the most annoying tax that businesses would have to pay form just a paperwork standpoint.

Robert Young: Most accounting firms that represent any business with a fair amount of assets, they use the federal computer programs to process the businesses federal returns and then they take that same information to process the personal property return. A large segment of the business community they have it down to a science in a way that is consistent with the way they reported it on the federal return tax return.

Michael Sanderson: On the point of personal property tax returns, I would give some kudos to the General Assembly; it wasn't that long ago that there was some reform at the low end of the personal property tax return system for the smallest businesses that had relatively modest reporting. I think the small business community made some concerns known that the cost to put the paperwork together cost more than what I end up paying in taxes. The General Assembly allows some latitude; I think if the original purchase price of all of your equipment is $10,000 or less, you don't have to file.

Raymond Wacks: I would also like to send some kudos to the State Department of Assessments & Taxation. I noticed that they have changed the depreciation schedules for example on computers; the nature of computers have changed over the years and they have kept on top of those schedules and tried to benefit business as much as possible.

James Kercheval: One comment I would like to throw in from an elected official's perspective; one of our roles is to try to envision for the county what it is going to look like, 10, 20, 30 years down the road. Then try to make sure that when the type of jobs and the type of businesses that we see a future in, where nationally they are not declining industries, they are things that are growing; when they are ready to come to our county or when our county is ready to track that market that we have the land and things available for it.

We have a variety of tools that we try to use like zoning, tax structure, and tax credits, etc. Having the flexibility and a variety of different tools to work with, every county is different, but my county is like that transitioning county right over the mountain, we will become more like Frederick, then east and west. I have to make sure I save some of the premiere land so when the higher paid jobs start coming our way, it is still available.

Mark Vulcan: My understanding and experience in the tax incentive world that property tax incentives play the at least the biggest role as income tax and other taxation elements in the site location. Certainly the incentives, credits, enterprise zone, Brownfields; outright exemptions from property tax with respect to tax exempt organizations, play a major role in attracting these employers to Maryland and to the local jurisdictions. It does enter into that mix when it comes down to the total tax number so it is important.

Christian Johansson: We went through an exercise of looking at the enterprise zones and we designate every 10 years or so; there was a fair amount of reaching out to the various counties because they want certain new areas designated or expanded and so forth and so this discussion was actively held and the feedback if you look at the history of a par gram; some of that development would not have occurred if we had not designated areas certain ways especially parts of Baltimore City.

Sales and Use Tax Issues

Raymond Wacks introduced Andrew Schaufele, Bureau of Revenue Estimates; presentation of the Sales and Use Tax Issues.

Please refer to the handout Sales Tax Exemptions located on the Maryland Business Tax Reform Commission website under January 25, 2010 meeting: http://btrc.maryland.gov/BITCsub/archive.asp Included in this handout is; Streamlined Sales Tax, Senate Bill 1071 Fiscal and Policy Note.

Andrew Schaufele: The handout lists the various exemptions in the sales and use tax that are more business oriented; there are fair more in there. Most of these were intended to prevent double taxation in the first place; taxes meant to be applied to the final purchaser. Years have gone by and some of these may be construed as incentives now.

Steven Banks: Where do we stand regarding vehicle sales relative to our neighboring states?

Linda Tanton: Vehicle sales are subject to an excise tax which is the same rate as the sales tax; 6%. It is administered by Maryland Department of Transportation. The receipts from the tax go to the Transportation Trust Fund.

Steven Banks: The public looks at it as if it were a sales tax. What do our neighboring states do with respect to the vehicles?

Linda Tanton: A large number of the states impose a sales tax on the sales of automobiles. Traditionally they would be subject to the sales tax because they are tangible personal property. For as long as I have been in the Comptroller's Office, it has been subject to an excise tax because the receipts for those sales are designated to the Transportation Trust Fund.

David Roose: Generally there are very few exemptions or explicit incentives like there are with the income tax and property tax which can be construed as incentives even if they were not initially enacted that way. One area where that may be changing is in the area of digital software and downloads where there has been quite a bit of debate some through the streamline sales tax; whether or not such products are taxable. Some states have seen that as an area for providing explicit incentives for certain types of activities or producing revenue.

Senator Madaleno: I was just going to ask the question about local taxes.

Linda Tanton: There are a number of states that have a local sales taxes and their area's rate that the locals impose on various transaction. Louisiana is probably the most striking example of that; all of their parishes can impose a tax at different rates.

Senator Madaleno: Virginia has a local option.

David Roose: I think it is just one (1) percentage point of the Virginia sales tax goes to counties.

Streamlined Sales Tax

Andrew Schaufele continued with his presentation addressing the Streamlined Sales Tax. The idea of the streamlined sales tax initiative was to provide simplicity in the collection/remittance of the sales tax. It is an agreement where states can voluntarily jump in and so can voluntary sellers. It comes out of the Quill vs. North Dakota case where the Supreme Court ruled that the state sales tax laws were so complicated and differed so greatly between the different states that it would be unfair to impose the sales tax on a business that didn't have any significant presence in the state. The Streamlined Sales Tax Board was put together to help incent Congress to propose such legislation.

There are currently 20 states that are full members and 3 states that are associate members; Maryland is an advisory state.

David Roose: The idea of the streamlined sales tax is to standardize definitions. What is something, but generally we still leave it up to those states to determine which of those categories that wants to tax. Along the way they have addressed some other issues like the rounding and some other things to my mind seem unnecessary for them to address. The states will be able to convince Congress having made the administration to sales tax simple, Congress could then mandate that every state collect sales tax on remote sales. My impression is that they are still quite a ways from that happening. It was discussed briefly last year with one of the stimulus proposals.

Linda Tanton: It was not put in that package at the last minute, right now it is stalled. Right now what seems to be the sticky point is the compensation for vendors for registering and collecting the tax under this agreement.

Steven Banks: What is in it for the federal government?

Linda Tanton: Congress has been concerned over the last ten years on imposing the tax on the internet. It started off with the internet access fees and then it got expanded. Right now the states have the authority to impose the tax if the vendor does not have nexus in their state. States wanted to get that authority so that remote sellers would collect the tax; they are in competition with the bricks and mortar stores in the states.

Raymond Wacks: Who are the chief beneficiaries of streamlined sales tax? Who benefits the most?

Linda Tanton: Presumably the states would get additional revenue if all remote sellers over a certain dollar threshold of sales would begin collecting and remitting the tax on their sales and to the various states. It would be a revenue boost for the states.

Raymond Wacks: Sounds like there may be some issues which could cost us revenue.

Linda Tanton: Right now there are very few vendors who are registered and collecting the tax on their remote sales for the streamlined state. If Congress were to mandate that vendors must do this, then you would get the vendors to start collecting and remitting the tax on sales.

Raymond Wacks: Let me ask Department of Business and Economic Development; is it really significant factor for major retailers like Target, Walmart or Sears.

Christain Johansson: The amount of purchasing over the internet, amount of commerce that is being driven over the internet from traditional bricks and mortars now like Walmart and seeing if they are going to invest a tremendous amount of resources, moving a lot more of their business towards the internet. If you don't get into the business at some point in time of taxing this, you are literally going to have what used to be a very small portion of our economy, becoming a very large portion of our economy that is just outside the realms of paying any sort of tax. It is a huge issue. You are going to have to deal with it at some point in time; too much of our economy is going to be online overall.

Linda Tanton: The business model for a lot of the traditional catalog sellers has changed, so what you see are L.L. Bean stores opening in a number of states where for years they were inclined to do that because they didn't want to collect tax in those states.

Now the business laws have changed and a lot of states are now collecting the sales tax from some of these large internet and catalog sellers that we were not collecting ten years ago. Not everybody, but a number of them.

Senator Madaleno: When you look at the large retailers, Target has learned how to collect sales tax from Maryland, different from say Virginia over the internet and 48 other states with different sales tax and remit; seems to me that Amazon can certainly do the same thing and collect sales tax and remit. We could move forward in this regard if we wanted to.

Linda Tanton: The definition of tangible personal property is one that clearly has not been amended in years, is not up to date in what is going on in our economy.

David Roose: I think this does get to the Senator's point; there are steps Maryland could take to deal with some of these issues just by changing the definition. Another step would be enacting SB 1071 from last year. Those get at some of the issues that are involved; streamlined sales tax is an effort to be much more broad all encompassing and addressing the issues with remote sales.

Paul Nolan: Regarding the revenue estimates, is that based on 2006 revenue numbers?

Andrew Schaufele: 2011 numbers.

Linda Tanton: We just completed a study at the request of Chairman Wacks.

The battle that's currently going on with the streamlined area is the vendor compensation. We have a vendor compensation for collecting our sales tax but it's relatively small and capped at $500 per month. The discussion is going on right now potentially would make those compensation levels much higher for the large vendors. A lot of it would depend on what else happens along the way with these provisions.

Raymond Wacks: Since so many people in the legislature are worried about our relevant position, if we were to change the law and implement some of this would we be putting ourselves at a competitive disadvantage?

Senator Madaleno: Enacting which law?

Christain Johansson: I think it depends on what you are talking about. If you are talking about saying that personal property should include digital information which my opinion everybody pretty much considers that personal property, because if you downloaded it illegally, then you're stealing it so obviously you are paying for it and that's one piece. If we say we are going to tax any retailer, the issue we have even though we are probably creating even more favorable climate for local merchants, the issue we have nationwide; we may be sending a signal that Maryland is not internet friendly. That is the tradeoff we would have to weigh.

Raymond Wacks: So that's why essentially Maryland has made a decision to wait on the national action?

Christain Johansson: I am not going to speak to why we have not moved forward, I know the Senator has been very involved in that but if you do become a state to say that we are going to tax this before any of these other states; the signal whether the people have the time to go through the nuances or worry about Maryland, just considered high tech stuff outside, gets reinforced. There is some danger in that; being first on something like that. Is it good policy? The signal you are sending nationwide.

Raymond Wacks: We did include the fiscal notes on this. Is there anything you would like to say on this?

Senator Madaleno: I don't know if this is the way to go. There are plenty of businesses making money off the sales online without remitting tax.

Film Production Sales and Use Tax Exemption

Christain Johansson: This was actually the first incentive for film production that was adopted in 1999. This is something that a number of states have adopted and has been actively used for all film production taking place here in Maryland.

Mark Vulcan: Under the sales and use tax exemption provision of the production of film, or video products including that production or activity that covers film, television, commercial, corporate film, music videos, infomercials and other projects which the producer production company would be compensated and which are intended for nationwide commercial distribution.

Please refer to our website for handout http://btrc.maryland.gov/BITCsub/archive.asp

Raymond Wacks: How unique are we in this region for having this tax credit incentive? How important really is it if a producer wants to locate in Maryland, how important is the tax credit versus Virginia or do they need Maryland?

Christain Johansson: If you look at the film business, it's a little bit of a unique industry and what you saw over the last decade has been kind of different states continuously accelerating their incentives up to the point where 42% of productions cost are covered in some states which is an astounding amount in terms of rebates back to those productions. Most of the states are reassessing their film production programs right now. We think we have had a balanced approached overall here; we haven't done what some states like Iowa, Connecticut, and others have done in terms of pushing film incentives to higher levels than any other industry incentives.

Frankly, they got out of control. Film production crews then became very savvy about how they took advantage of that. If you look at the exempting sales tax, it's the bear minimum. Most states that are very focused on this, a program supporting the industry anywhere from 25 – 50 million in addition to exempting the sales tax and then offering other incentives in addition to that.

Raymond Wacks: What do you judge the economic benefit to film production, other than they spend a lot of money?

Christain Johansson: For every dollar of incentive, 53 cents comes back into the local economy. Film production jobs are temporary but they generally are high paying jobs, union jobs, jobs which if you work on a film production crew you might make the full year's salary in that time. They do have tangible benefits and we do want to support them but the challenge that we have with the budget, if we can incentivize General Motors to invest in Allison Transmission to keep hundreds of jobs here over the next decade; the return of those jobs, the very nature they don't disappear are here longer term.

Brownfields Revitalization Incentive Program

Mark Vulcan: Two additional property tax incentives that Department of Business and Economic Development administers; Brownfields and Enterprise Zone.

Since 2001, Department of Business and Economic Development has certified approximately 100 projects in the Brownfields Revitalization Incentive Program. The program was initiated in 1997 in conjunction with Maryland Department of Environment's Voluntary Cleanup Program.

Please refer to our website for handout http://btrc.maryland.gov/BITCsub/archive.asp

Raymond Wacks: Do you have to justify the need for the credit to make the project economically feasible?

Mark Vulcan: You can't have caused or been a party to the contamination. But otherwise, it's just moving forward to get these properties back into the production stream and this like the enterprise zone identify these critical areas where these incentives help and we have seen them brought back online and come back into production and volatility.

Enterprise Zone Tax Credit Program

Mark Vulcan: This is a joint effort between the State and local governments to provide tax incentives to businesses and property owners located in some of the State's most economically distressed communities.

Please refer to our website for handout http://btrc.maryland.gov/BITCsub/archive.asp

Steven Banks: When it says Baltimore City Enterprise Zone, does that mean the entire city?

Mark Vulcan: No. Baltimore City Enterprise Zone is approximately 20,000 acres; it excludes the main part of the Inner Harbor and the new financial districts, some of the central financial districts are included; north, west and east and then along tentacles of particular roads that had been slated for improvement.

Raymond Wacks: What do you think we should take from this session today in terms of local property taxes and these tax credits and the sales taxes? What the commission should do or shouldn't do?

Paul Nolan: One area where we might want to jump just a little deeper; during the special session there was the computer services tax. We really haven't spent much on services tax per say; it may make sense in a subsequent session to look at services tax around the country and see what states have done. As a commission it may help fill our charter.

Steven Banks: I completely disagree.

Laughter.

Christain Johansson: That particular tax was most unfortunate because that has been a strongest workhorse in terms of the economy and most businesses have such an easy time relocating. Information Technology based businesses often don't need immediate proximity. The services side overall has been a bright side for us even in this recession because a lot of it is tied to IT, relatively high paying jobs.

Steven Banks: It is raging across the country in terms of the fact that services are becoming more and more a part of our economy. The idea of expanding our sales tax to include the base, you could lower the rates. In all sounds good in theory but where jurisdictions have actually tried to expand the base, it may have started in that direction but when it comes time to the lower the rates part that gets lost in the shuffle.

Christain Johansson: Who else has done it?

Linda Tanton: Florida, 10 years ago and it was a disaster for them; it was quickly repealed. Some other states have tried just piecemeal services.

Raymond Wacks: In California not with the sales tax but some of the income taxes; the same idea of broadening the base and lowering the rate.

Linda Tanton: It might be interesting to see what over the last few years states have done with regard to taxing services.

David Roose: I just want to remind everyone that broadening the base is one of the three explicit charges to the commission without referencing any particular tax.

Linda Tanton: We can look at the digital downloads and see what states are imposing the tax on those because that seems to be of interest also.

James Kercheval: We had been contacted by the Maryland Department of Planning to see if the commission would be interested in a presentation about the Historical Structure Rehabilitation Tax Credit.

Christain Johansson: I strongly encourage the committee to have the presentation. It is one of the significant programs; one that we can point to again a number of successes.

David Roose: They are tentatively on the agenda for the next meeting of this subcommittee.

Meeting adjourned at 3:43 p.m.

Next meeting of the subcommittee will be Monday, February 8, 2010 @ 2:00 p.m.

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