

Incentive Program Examples

(Not an Exhaustive List)

QHTC Incentives: This D.C.-specific program is for qualified technology businesses that lease or own facilities in D.C. The credits are based on having employees who relocate to the District, creating new jobs in the District, and training employees also within D.C., to name a few of the qualifying activities.

Maryland Economic Adjustment Fund: This is a program for Maryland businesses. It provides funds for small businesses to expand to new markets, upgrade manufacturing operations, and engage in commercial technology development. Firms can use the funds for renovations, real estate purchases, and machinery and equipment purchases.

Maryland Job Creation Credits: Maryland offers no fewer than seven different credits tied to job creation. One of the credits only requires that one new job be created. Others encourage new jobs in manufacturing and health care. Some credits are more general and can be used in any industry. Some of the credits are tied to property development, which brings us to the next category.

Maryland Enterprise Zones: There are also a number of credits for property development and investment in targeted enterprise zones. These zones are often areas that have been identified as being in “economic distress.” By expanding operations into these areas and investing in real and personal property in these targeted enterprise zones, businesses can give a much-needed economic boost to distressed or neglected areas. It’s important to note that many of the enterprise credits are tied to job creation credits. Many of the credits require job creation AND property development. However, there are some programs that keep the two activities separate.

Maryland Innovation: Some of the more specific programs and credits Maryland offers include credits for R&D work, credits to taxpayers who invest in qualified Maryland cybersecurity companies (“QMCCs”), and credits for businesses that construct or renovate a sensitive compartmented information facility (“SCIF”) in Maryland. There are also some interesting credits for offering commuter benefits to employees and for rehabilitating certified historic structures.

Virginia Job Creation & Enterprise Zone Incentives: Similar to Maryland, Virginia offers a number of incentives tied to real property investment and job creation in enterprise zones that have been targeted for revitalization. Some programs only require one action or the other, such as the Major Business Facility Job Credit, which requires that an existing or expanding business create more than 50 new full-time jobs within a 12-month period, or the Enterprise Zone-Real Property Investment Grant, which is for businesses that invest at least \$100,000 in rehabilitation or expansion projects on qualified property investments in designated areas. Others require both job creation and property investment.

Virginia New & Small Businesses: Some of Virginia’s incentive programs are squarely aimed at new businesses, start-ups, and small businesses. For example, the Qualified Equity and Subordinated Debt Investments Credit is designed so individual and fiduciary taxpayers can invest in a pre-qualified small business venture through equity or subordinated debt.

Virginia Innovation: Virginia is working hard to stay on top of technology and change in the workforce, as evidenced by credits such as the Telework Expenses Tax Credit, the Green Job Creation Tax Credit, its own R&D Tax Credit, and incentives for investing in designated technology zones. They’re thinking of the workers, too, with credits such as the Worker Retraining Credit for businesses that provide training to employees.

Virginia Transportation & International Incentives: Some of the diverse tax credits Virginia makes available are the Barge and Rail Usage Tax Credit, for companies that move product and freight by barge or rail instead of by trucks and other motor vehicles, and the International Trade Facility Tax Credit, for businesses that create new jobs or make a capital investment in an international trade facility.

These are representative examples of the many credits, grants and other incentives that are available across industries. Working with an expert who is familiar with the requirements and paperwork for these programs could help you earn a bigger credit in the end.

If you’re not sure if these programs apply to your situation—or if you’d like to know about the others not listed here—[reach out to Stacy LaMontagne, CPA](#), co-leader of Cherry Bekaert’s Washington, D.C. THInc practice, for more information on the state and local tax (“SALT”) credits that could apply specifically to you.