

TAX CREDIT CERTIFICATE

**MARYLAND INSURANCE PREMIUM TAX CREDIT
ISSUED UNDER THE INVESTMARYLAND PROGRAM**

**Authority: Economic Development Article §6-501 through §6-529
Insurance Article §6-122
Annotated Code of Maryland (the “Act”)**

Purchaser: _____

NAIC Number: _____

Tax Credit Certificate No.: _____

Date of Issue: _____

Amount of Tax Credits Represented by This Certificate: \$ _____

Amount of Capital Paid by the Purchaser in return for the Tax Credits: \$ _____

This Tax Credit Certificate is issued to the Purchaser by the Department of Business and Economic Development (“DBED”) on the Date of Issue set forth above, pursuant to the Act.

Subject to the limitations below, this Tax Credit Certificate entitles the Purchaser to a fully vested credit against the insurance premium tax imposed under Title 6, Subtitle 1 of the Insurance Article, Annotated Code of Maryland.

1. InvestMaryland Program. This Tax Credit Certificate represents one third of the total Tax Credits to be issued to the Purchaser pursuant to the Purchaser’s successful bid to purchase Tax Credits under §6-513(c) of the Act. The Purchaser has entered into a Tax Credit Purchase Agreement dated _____, 2012 (the “Purchase Agreement”) to make payments of designated capital to DBED as of June 1, 2012, June 1, 2013, and June 1, 2014 in exchange for the Tax Credits. A separate Tax Credit Certificate will be issued at the time each installment of designated capital is received by DBED.

2. Years in Which Tax Credits May Be Taken; Annual Limitation; Carryover.
 - (a) The Tax Credits may be taken by the Purchaser beginning with the annual report (the “Annual Report”) required to be filed on or before March 15, 2015 with the Maryland Insurance Commissioner under §6-107 of the Insurance Article, Annotated Code of Maryland, against insurance premium tax owed on premiums earned during calendar year 2014.
 - (b) Up to 20% of the Purchaser’s total Tax Credits may be taken against insurance premium tax on premiums earned in each calendar year from 2014 to 2018.
 - (c) Unused Tax Credits may be carried over indefinitely and may be taken without restriction after calendar year 2018.

3. Claiming the Tax Credits.
 - (a) The Purchaser may claim the Tax Credits by submitting this Tax Credit Certificate with the Purchaser’s Annual Report filed with the Maryland Insurance Commissioner by March 15 of any year in which Tax Credits are properly claimed.
 - (b) If the Purchaser’s insurance premium tax liability in any year is less than the Tax Credits evidenced by a Tax Credit Certificate held by the Purchaser, the State shall issue to the Purchaser a new Tax Credit Certificate for the unused balance of Tax Credits.
 - (c) The Purchaser may not claim Tax Credits in any year in excess of the Purchaser’s actual insurance premium tax liability for that year.

4. Penalty for Non-Compliance.
 - (a) A Purchaser that fails to make a payment of designated capital by the date specified in the Purchase Agreement shall be subject to a penalty equal to 10% of the defaulted amount, payable to DBED within 30 days after demand by DBED.
 - (b) DBED may offer to re-allocate the defaulted capital among the other Purchasers at the auction of Tax Credits and may waive the penalty if the re-allocation results in the payment by another purchaser or purchasers of the defaulted amount of designated capital.
 - (c) Subject to the transfer requirements below, a Purchaser that fails to make a payment of designated capital by the date specified in the Purchase Agreement may avoid the imposition of the penalty by transferring the allocation of Tax Credits to a new or existing purchaser within 30 days after the due date of the defaulted installment.

5. Transfer of Tax Credits. The Taxpayer may transfer all or any part of the Tax Credits represented by this Tax Credit Certificate by submitting the attached Notice of Transfer of Tax Credits to DBED. Any transferee of Tax Credits must:

- (a) meet the definition of “Purchaser” in §6-501(1) of the Act,
- (b) be in good standing with the Maryland Insurance Administration, and
- (c) agree to assume all of the transferor’s obligations under the Purchase Agreement.

At least 30 days prior to the effective date of the transfer, the Purchaser and any assignee shall jointly complete and submit to DBED the attached Notice of Assignment together with the original of this Tax Credit Certificate. DBED shall issue to the transferee a new Tax Credit Certificate in the transferee’s name representing the amount of Tax Credits transferred and shall issue to the Purchaser a new Tax Credit Certificate representing any amount of Tax Credits retained by the Purchaser.

6. Tax Credits Not Subject to Forfeiture, etc. The Tax Credits represented by this Tax Credit Certificate are not subject to forfeiture, disallowance, or recapture by the Department of Business and Economic Development or the State of Maryland for any reason.

**DEPARTMENT OF BUSINESS AND
ECONOMIC DEVELOPMENT**

By: _____
Christian S. Johansson
Secretary

NOTICE OF TRANSFER OF TAX CREDITS

The undersigned assignor (the “Assignor”), as owner and holder of this Tax Credit Certificate, hereby assigns tax credits evidenced by this Tax Credit Certificate to the person or persons (the “Assignee(s)”) named below in the amount set forth below. Following submission of this Notice of Transfer of Tax Credits, along with the original Tax Credit Certificate, a new Tax Certificate will be issued to the Assignee(s) and the Assignor, as appropriate. Each Assignor agrees to assume all of the Assignee’s obligations under the Purchase Contract existing as of the date of assignment.

Tax Credit Certificate No.: _____

Assignor’s Tax Credit Balance Before Transfer(s): _____

Assignor’s Tax Credit Balance after Transfer(s): _____

Name of Assignee	Address	NAIC Number	Tax Credit Transferred
			\$

AGREED AND ACCEPTED EFFECTIVE AS OF _____, 201__.

(Name of Assignee)

(Name of Assignor)

By: _____
 Name: _____
 Title: _____

By: _____
 Name: _____
 Title: _____