

This versatile transportation system allows both the residents of the County and tourists to move freely around the area. It allows businesses to maintain their operations and ensure delivery of needed products and services. Therefore, maintaining the various modes of transportation within the County is vital to the sustainability of the economic activity.

EXISTING PROGRAMS & INCENTIVES

Salisbury-Wicomico Economic Development, Inc. (SWED)

Founded in 1968, Salisbury-Wicomico Economic Development, Inc. (SWED) is the primary agency charged with the promotion of economic development activities within Wicomico County. SWED is a private membership organization, which receives support from local governments. The mission of SWED is “to enhance the socio-economic environment of Salisbury, Wicomico County and region through the preservation and creation of productive employment opportunities.”

In their 2012 Annual Report SWED had described its activities as threefold:

- **Business Retention/Expansion:** Most businesses derive seventy to eighty percent of revenue from existing customers. As a correlation, most new jobs in any community originate from resident businesses. A strong business base also helps to attract new firms to a growing area.
- **Business Attraction:** New and diverse businesses mitigate adverse effects of economic downturns, reduce reliance on a few firms, increase the taxable base, and add jobs. Ancillary or indirect benefits are as great, if not greater, than direct benefits.
- **Strengthen SWED:** Since its establishment in 1968, SWED has received financial and professional support from public and private sectors. Both sectors demonstrate an interest in economic development and both sectors possess unique resources. A combined public-private effort maximizes resources, leverages capital, and broadens expertise.

To learn more about the activities and services provided by SWED, visit their website at www.swed.org or contact them (410) 749-1251.

Enterprise Zone

Businesses locating within an Enterprise Zone may be eligible for real property and state income tax credits. Upon application and approval, the zone offers a ten year credit against local real property taxes on a portion of real property improvements. The credit is 80 percent the first five years, and decreases 10 percent annually to 30 percent in the tenth and final year. This Zone also offers a one-time \$1,000 credit per new worker on State income taxes.

The Count has partnered with Cities of Fruitland and Salisbury to establish two certified Enterprise Zones (Salisbury – Wicomico County and Fruitland – Wicomico County Enterprise Zones). Both certified Enterprise Zones contain a portion of the unincorporated area of Wicomico County. The City of Salisbury and Wicomico County, which was certified in 2012 by the Maryland Department of Business and Economic Development, expanded the 3,845 acres previously designated as the Salisbury-Wicomico County Enterprise Zone by 435 acres. In 1995, the 133 acre City of Fruitland – Wicomico County Enterprise Zone was certified. See **Map 12-1**.

The criteria for classification as an Enterprise Zone concentrates on areas with declining population, higher than average poverty rates, unemployment rates above national average, and percentage of families with a median family incomes of less than 80 percent of the surrounding area of county. The Enterprise Zone provides an incentive for businesses to locate in these areas and hire new employees.

One Stop Job Market

The One Stop Job Market is home to various State and local agencies that provide employment and training services and offer resources and assistance to businesses. These agencies include: Maryland Department of Business and Development (DBED); Maryland Department of Labor, Licensing and Regulation (DLLR); Job Corps; Lower Shore Manufacturing Net; Maintaining Active Citizens (MAC) - Senior Employment program; Tri-County Council of the Lower Eastern Shore; and the Tri-County Workforce Initiative.

To obtain more information about the services provided at the One Stop Job Market, visit their website at www.onestopjobmarket.org or contact them at (410) 341-6515.

Job Creation Tax Credits

Maryland provides a \$1,000 tax credit to businesses that create new jobs to encourage businesses expanding or relocating to Maryland. In most cases, the Job Creation Tax Credit (JCTC) is 2.5% of annual wages for all newly created, full-time jobs, subject to a limit of \$1,000 per new job. The credit earned by a qualified business entity may not exceed \$1 million per credit year. The business must create 60 new, full-time jobs during a 24-month period. For a business that locates or expands in a Priority Funding Area, the minimum is 25 jobs. Outside of a Priority Funding Area, the requirement may be reduced to as few as 30 jobs if the aggregate annual salary for new employees exceeds \$2.85 million for 2009. All positions must be filled for 12 months.

If the credit is more than the tax liability, the unused credit may be carried forward for five years following the credit year. The credit may be recaptured if the business experiences job losses.

Manufacturing Equipment and Machinery

The State of Maryland does not impose a personal property tax of business. Manufacturing equipment and machinery is exempt from personal property tax in Wicomico County. The exemption enables existing manufacturing companies to expand and modernize equipment in order to remain competitive and increase employment opportunities.

Commercial Inventory

Wicomico County will reduce the percentage of the assessed value of commercial inventory, subject to County property tax, from 35% to 0% by 2018. Under the current tax provisions, businesses that require inventory to operate were deterred from locating in Wicomico County. By eliminating the commercial inventory tax, it is anticipated the County will be competitive to other counties and neighboring states in attracting new and retaining existing business.

Sales Tax Exemptions

Wicomico County does not impose a sales tax, but is subject to State sales tax. In some instances the State exempts sales tax. Items that are exempt of the State sales tax include:

- Capital manufacturing equipment;
- Equipment or materials used or consumed in research and development;
- Fuels used in manufacturing;
- Computer programs reproduced for sale or incorporated in whole or in part into another computer program intended for sale; and
- Customized computer software.

Arts and Entertainment District

An Arts and Entertainment District is a geographically designated area in which a high concentration of arts and entertainment facilities serve as an anchor attraction. The intent of the District is to stimulate neighborhood revitalization, improve the attractiveness and safety of areas, stimulate business activity (particularly in the evenings and on weekends), attract residents and visitors, and build the tax base.

The tax incentives available within the designated Arts and Entertainment District include: an income tax subtraction modification for qualifying residing artists; a property tax credit; and an exemption from the Admissions and Amusement Tax.

In April 2007, the Maryland Department of Business and Economic Development granted the City of Salisbury an Arts & Entertainment District designation. This designation brought additional tax and financial incentives to certain arts and entertainment related businesses and investments. The benefits offered to participants in the Arts & Entertainment District included:

- Property tax credits for new construction or renovation of certain buildings that create live-work space for artists and/or space for arts and entertainment enterprises;
- An income tax subtraction modification for income derived from artistic work sold by qualifying residing artists; and
- An exemption from the Admissions and Amusement tax levied by an arts and entertainment enterprise or qualifying residing artist in a district.

For more information contact the City of Salisbury Department of Community Development at 410-334-3031, or visit the City of Salisbury's website at <http://www.ci.salisbury.md.us>.

Maryland Broadband Cooperative

The Maryland Broadband Cooperative (MDBC) is a public/private partnership to promote economic development through the deployment of technology supporting infrastructures. The mission of MDBC is "to drive economic development through universal, open access to broadband services via a fiber optic network that serves rural Maryland by building an advanced, world-class broadband network across the rural communities of Eastern, Southern and Western Maryland supported by its' members who provide Last Mile services." The MDBC receives funding to build the infrastructure through the Maryland Rural Broadband Coordination Board.

Wicomico County is part of the Lower Eastern Shore network which serves Easton, Cambridge, Salisbury, West Ocean City, Snow Hill, Wallops Island, Pocomoke, and Princess Anne through a system of fiber optic cable.

TOURISM

Economics Benefits of Tourism

Wicomico County is the hub of Maryland's Eastern Shore as it is ideally situated within a drive market extending from Philadelphia to Baltimore and Washington. The County offers a wide range of natural, cultural, and historic assets that provide prime opportunities for tourism and a steady stream of income to the local economy.

Tourism is an effective mechanism to bring new revenue into a local economy. Creating year-round, as well as seasonal tourism opportunities can increase spending, thereby infusing money into the local economy. Other positive benefits include the creation or expansion of new and existing businesses that are dependent on the tourism.