



FROSTBURG ARTS & ENTERTAINMENT DISTRICT TAX INCENTIVES (2019-2029)

The City of Frostburg firmly commits to the support of the Frostburg Arts and Entertainment District and acknowledges the renewal of the district is a benefit to the municipality through promotion of investment, employment, and cultural opportunities, and is generally in the best interests of its residents.

The tax incentives assured by the original establishment in 2009 have been updated to include:

1. An abatement of admissions and amusement tax, including any gross receipts from any admissions and amusement charge levied by an arts and entertainment enterprise or qualifying residing artist in the arts and entertainment district of the City for a period of ten (10) years from the effective date of the renewal of the designation.
2. Approval of an income tax subtraction modification for any qualifying artists within the district as defined and set forth in Section 10-207(v) of the Tax General Article of the Annotated Code of Maryland.
3. The Director of Finance must allow a tax credit, as authorized by Section 9-240 of the Tax Property Article of the Annotated Code of Maryland, to a taxpayer against the City property tax imposed on a building that:
 - a. is located in an arts and entertainment district; and
 - b. is wholly or partially renovated for use by a qualifying residing artist or an arts and entertainment enterprise.

A tax credit granted under this Section applies for five (5) years, as long as the building is used by a qualifying residing artist or an arts and entertainment enterprise.

The Director of Finance must calculate a tax credit allowed under this Section as follows:

- a. Except for properties allowed an Enterprise Zone Tax Credit, the amount of the tax credit under this Section is the following percentage of the amount of property tax imposed on the eligible assessment of the property entitled to the credit:
 1. a property tax credit of up to 80% in each of the first 5 taxable years after the calendar year when the property initially is entitled to the credit;
 2. No credit in the 6th taxable year or subsequent years.
- b. For properties allowed an Enterprise Zone Tax Credit, the amount of the tax credit under this Section is %20 of the amount of property tax imposed on the eligible assessment of the property entitled to the credit for each of the five (5) taxable years after the calendar year when the property initially is entitled to the credit. The credit under this Section is in addition to the Enterprise Zone Tax Credit.