

Non-Sales and Use Tax Grants, Maryland Economic Development Assistance Authority and Fund, Department of Commerce
 \$10.0 Million (T00F00.23)

Purpose: Recovery Now Funding

The Maryland Economic Development Assistance Authority and Fund shall provide up to \$9,000 grants to businesses that do not require them to collect business sales and use tax and demonstrate a need for assistance. At least 15% of the amount distributed shall be distributed to disadvantaged businesses. Priority shall be given to businesses that have not received prior funding from the Authority.

Program Highlights and Plans to Allocate Remaining Balance:

- The Department of Commerce (Commerce) initially began accepting applications on March 30, 2021 and ended the initial acceptance period at 11:59PM on April 6, 2021.
- Commerce reopened the application portal from April 30, 2021, to May 24, 2021:
 - As of May 28, 2021:
 - 4,140 applications were started or submitted
 - 1,800 applications submitted
 - 1,798 applications reviewed
 - 1,131 applications approved

County	Applications Reviewed	Applications Approved	Approved Amount	County Portion by Population	Status
Allegany	10	4	\$35,000	\$114,363	Undersubscribed
Anne Arundel	169	113	\$1,005,051	\$967,211	Oversubscribed
Baltimore City	178	87	\$768,187	\$948,957	Undersubscribed
Baltimore	165	110	\$980,051	\$1,362,461	Undersubscribed
Calvert	19	13	\$115,913	\$154,061	Undersubscribed
Caroline	9	5	\$42,000	\$55,406	Undersubscribed
Carroll	50	30	\$251,364	\$278,310	Undersubscribed
Cecil	7	3	\$27,000	\$170,271	Undersubscribed
Charles	38	23	\$206,000	\$275,032	Undersubscribed
Dorchester	10	6	\$54,000	\$52,539	Oversubscribed
Frederick	70	52	\$459,400	\$443,092	Oversubscribed
Garrett	4	3	\$27,000	\$47,443	Undersubscribed
Harford	56	37	\$321,000	\$426,282	Undersubscribed
Howard	94	68	\$607,395	\$547,080	Oversubscribed
Kent	6	3	\$27,000	\$31,981	Undersubscribed
Montgomery	436	294	\$2,599,342	\$1,739,545	Oversubscribed
Prince George's	267	159	\$1,405,600	\$1,498,231	Undersubscribed
Queen Anne's	32	16	\$142,500	\$83,831	Oversubscribed
Somerset	2	1	\$9,000	\$42,266	Undersubscribed
St. Mary's	19	15	\$135,000	\$189,747	Undersubscribed

County	Applications Reviewed	Applications Approved	Approved Amount	County Portion by Population	Status
Talbot	12	8	\$69,000	\$61,653	Oversubscribed
Washington	64	35	\$312,400	\$250,328	Oversubscribed
Wicomico	65	34	\$301,499	\$172,682	Oversubscribed
Worcester	15	12	\$106,500	\$87,229	Oversubscribed
Statewide	1,797	1,131	\$10,007,202	\$10,000,000	Oversubscribed

- Commerce continued its outreach and marketing strategies to ensure the program reaches as many businesses as possible with the goal of providing equitable distribution of these funds across a diverse group of business owners and regions.
 - Commerce drafted and posted online: program eligibility, guidelines, and application requirements Tuesday, March 15, 2021.
 - Commerce sent out a third alert of the program on March 30, 2021, to over 30,000 businesses, business groups, community organizations, advocacy groups, economic development professionals, and elected officials, alerting them that the application was now open.
 - Commerce reached out to the undersubscribed county officials and legislators on April 2, 2021.
 - Commerce reached out to the applicants who were prequalified but had not submitted their application by April 5, 2021, reminding them to submit their application prior to the application deadline. An additional reminder went out on April 6, 2021.
 - To ensure that applicants who were not qualified were filling out their applications correctly, Commerce reached out to those that may have answered incorrectly with clarifying information on April 2, 2021. This clarifying information was also posted on the application instructions.
 - Commerce extended the online application portal and continued outreach until May 24, 2021.
 - Commerce believes that all communication and county distribution efforts have been exhausted and therefore delivered funds to businesses in each jurisdiction proportionally based on population to the extent practicable.
- Commerce started the review process of applications on April 14, 2021.
- Commerce began analysis of reviewed applications to identify potential duplicate applications, ensure equitable distribution of grants by county population, and to confirm no applications were improperly approved or denied on April 27, 2021.
- Commerce conducted outreach to undersubscribed counties and constituents and reopened the application on April 30, 2021 - May 24, 2021, to fully encumber the funds in undersubscribed counties.
- Commerce began sending grant agreements to awardees on April 30, 2021.
- Commerce began reviewing grant agreements and processing disbursements on May 4, 2021.

Programmatic and/or Implementation Issues:

- Commerce spoke with the Maryland Comptroller’s office who said that technically, no company would qualify under a literal reading of the statute, so Commerce will need to apply some common-sense standards to decide which ones are intended to be included.
- Commerce has already spoken with the bill drafters and has received some clarity on the intent of the statute, which was to reach businesses that were not adequately reached under prior relief programs.
- While it is generally possible to claim that services-providing companies do not pay sales & use tax, and goods-providing companies do, there are exceptions to both. However, we are drafting a starter list of NAICS codes for services-providing companies to use in filtering applicants. Commerce will then need to review some applicants more closely to see if they will qualify.
- The Comptroller does not require any business to declare that it is sales tax-exempt, nor does it track these companies. However, they may be able to help us decide which companies have sales that are mostly services-related and therefore are not taxed. Commerce will send the Comptroller a list of potential NAICS codes for program targeting, and the Comptroller will see if they can pull a list of companies in these NAICS codes who have filed a sales & use tax license and check to see if they have remitted sales tax collections to the State.

Distribution of Funds:

County	Population - 2021	Maryland Percentage	Total Applicants	Disadvantaged Applicants	Portion of Total
Allegany	69,366	1.10%	13	2	\$114,363
Anne Arundel	586,656	9.70%	106	16	\$967,211
Baltimore	826,392	13.60%	150	23	\$1,362,461
Baltimore City	575,584	9.50%	104	16	\$948,957
Calvert	93,445	1.50%	17	3	\$154,061
Caroline	33,606	0.60%	6	1	\$55,406
Carroll	168,807	2.80%	31	5	\$278,310
Cecil	103,277	1.70%	19	3	\$170,271
Charles	166,819	2.80%	30	5	\$275,032
Dorchester	31,867	0.50%	6	1	\$52,539
Frederick	268,755	4.40%	49	7	\$443,092
Garrett	28,776	0.50%	5	1	\$47,443
Harford	258,559	4.30%	47	7	\$426,282
Howard	331,828	5.50%	60	9	\$547,080
Kent	19,398	0.30%	4	1	\$31,981
Montgomery	1,055,110	17.40%	191	29	\$1,739,545
Prince George's	908,743	15.00%	165	25	\$1,498,231
Queen Anne's	50,847	0.80%	9	1	\$83,831
Somerset	25,636	0.40%	5	1	\$42,266

County	Population - 2021	Maryland Percentage	Total Applicants	Disadvantaged Applicants	Portion of Total
St. Mary's	115,090	1.90%	21	3	\$189,747
Talbot	37,395	0.60%	7	1	\$61,653
Washington	151,835	2.50%	28	4	\$250,328
Wicomico	104,739	1.70%	19	3	\$172,682
Worcester	52,908	0.90%	10	2	\$87,229
Statewide	6,065,438	-	1,100	169	\$10,000,000

- As of May 26, 2021, Commerce has processed 866 grants at \$7,576,670. Out of those grants, 866 checks have been sent by GAD to the recipients.
- Awardee list, by County and zip code, as of May 27, 2021:

County/ Zip Code	Disadvantages Businesses		All Businesses	
	Number	Award	Number	Award
Allegany	1	\$9,000	4	\$35,000
21502	1	\$9,000	4	\$35,000
Anne Arundel	10	\$89,750	102	\$906,637
20711			1	\$9,000
20724			1	\$9,000
20776			1	\$9,000
21012			2	\$15,000
21032	1	\$9,000	1	\$9,000
21035	1	\$9,000	1	\$9,000
21037			2	\$18,000
21054			8	\$72,000
21060	1	\$9,000	2	\$18,000
21061	1	\$9,000	11	\$96,500
21075	1	\$9,000	1	\$9,000
21076			4	\$34,500
21090			1	\$9,000
21108			2	\$17,900
21113			6	\$54,000
21114	1	\$9,000	4	\$36,000
21122			5	\$45,000
21144			1	\$9,000
21146			8	\$71,750
21240	2	\$18,000	2	\$18,000
21401	1	\$9,000	29	\$257,237
21403			4	\$36,000
21409			3	\$27,000
21061			1	\$9,000

County/ Zip Code	Disadvantages Businesses		All Businesses	
	Number	Award	Number	Award
21401	1	\$8,750	1	\$8,750
Baltimore City	10	\$88,000	82	\$724,642
21093			1	\$9,000
21201	1	\$7,000	6	\$51,500
21202			7	\$61,800
21206			2	\$18,000
21207			1	\$9,000
21208			1	\$9,000
21209			1	\$9,000
21211			10	\$89,000
21212			1	\$8,500
21213			1	\$9,000
21214			1	\$9,000
21215	2	\$18,000	8	\$71,000
21216	1	\$9,000	2	\$18,000
21217			1	\$9,000
21218	1	\$9,000	5	\$45,000
21223			2	\$18,000
21224	4	\$36,000	17	\$152,342
21228			1	\$9,000
21230	1	\$9,000	11	\$92,500
21231			2	\$18,000
21234			1	\$9,000
Baltimore	14	\$126,000	100	\$890,051
20871			1	\$9,000
21030			6	\$54,000
21043			1	\$9,000
21093			8	\$72,000
21111			1	\$9,000
21117	1	\$9,000	6	\$53,051
21120			2	\$18,000
21131			2	\$18,000
21133	1	\$9,000	4	\$35,500
21136			1	\$9,000
21152	1	\$9,000	1	\$9,000
21155			1	\$9,000
21162			2	\$18,000
21201			1	\$9,000
21204			4	\$32,000
21206			1	\$9,000
21207			1	\$9,000
21208	1	\$9,000	8	\$69,000
21209	1	\$9,000	2	\$17,500

County/ Zip Code	Disadvantages Businesses		All Businesses	
	Number	Award	Number	Award
21212	1	\$9,000	2	\$18,000
21220	2	\$18,000	4	\$36,000
21221	1	\$9,000	2	\$18,000
21222			1	\$9,000
21224			1	\$9,000
21227			3	\$27,000
21228	3	\$27,000	12	\$108,000
21229			1	\$9,000
21230			1	\$9,000
21234			4	\$35,000
21236			6	\$54,000
21237			1	\$9,000
21244	1	\$9,000	4	\$36,000
21282	1	\$9,000	1	\$9,000
21286			4	\$36,000
Calvert			12	\$106,913
20639			2	\$17,300
20678			2	\$18,000
20685			1	\$9,000
20688			1	\$9,000
20736			2	\$18,000
20754			3	\$27,000
20732			1	\$8,613
Caroline			5	\$42,000
21629			2	\$15,000
21632			2	\$18,000
21655			1	\$9,000
Carroll			27	\$225,364
21048			3	\$26,600
21074			3	\$27,000
21102			2	\$18,000
21157			6	\$54,000
21771			1	\$9,000
21776			1	\$9,000
21784			9	\$67,500
21787			2	\$14,264
Cecil			3	\$27,000
21901			1	\$9,000
21921			2	\$18,000
Charles	3	\$27,000	22	\$197,000
20601	1	\$9,000	4	\$36,000
20602	1	\$9,000	6	\$54,000
20607			1	\$9,000

County/ Zip Code	Disadvantages Businesses		All Businesses	
	Number	Award	Number	Award
20616			2	\$18,000
20637			1	\$9,000
20640	1	\$9,000	1	\$9,000
20646			6	\$54,000
20677			1	\$8,000
Dorchester	1	\$9,000	4	\$36,000
21613			2	\$18,000
21659			1	\$9,000
21677	1	\$9,000	1	\$9,000
Frederick	3	\$27,000	48	\$426,950
21701	1	\$9,000	10	\$86,000
21702	1	\$9,000	5	\$44,000
21703	1	\$9,000	4	\$36,000
21704			13	\$116,951
21710			3	\$27,000
21754			2	\$18,000
21755			1	\$9,000
21769			2	\$18,000
21771			1	\$9,000
21774			4	\$35,999
21788			2	\$18,000
21791			1	\$9,000
Garrett			3	\$27,000
21541			1	\$9,000
21550			2	\$18,000
Harford	1	\$9,000	32	\$277,000
21001			1	\$9,000
21009			1	\$9,000
21014			10	\$86,500
21015			5	\$45,000
21034			1	\$3,000
21040			1	\$9,000
21047	1	\$9,000	3	\$27,000
21050			5	\$44,500
21078			2	\$18,000
21084			1	\$9,000
21085			2	\$17,000
Howard	8	\$71,995	67	\$598,395
20723	1	\$9,000	5	\$45,000
20759			3	\$27,000
20763	1	\$9,000	3	\$27,000
20777			2	\$18,000
21029			6	\$53,000

County/ Zip Code	Disadvantages Businesses		All Businesses	
	Number	Award	Number	Award
21042	1	\$9,000	15	\$134,500
21043	1	\$9,000	6	\$54,000
21044			3	\$27,000
21045	4	\$35,995	12	\$105,495
21046			3	\$27,000
21075			4	\$36,000
21163			1	\$9,000
21737			1	\$9,000
21738			1	\$9,000
21794			1	\$8,900
21044			1	\$8,500
Kent			3	\$27,000
21620			2	\$18,000
21678			1	\$9,000
Montgomery	31	\$273,914	275	\$2,429,842
20184			1	\$9,000
20814			16	\$143,499
20815			3	\$27,000
20817	1	\$9,000	11	\$99,000
20832	1	\$9,000	5	\$44,000
20833	1	\$9,000	4	\$35,500
20837			1	\$9,000
20841			1	\$9,000
20850	3	\$27,000	33	\$295,250
20852	6	\$53,999	28	\$251,498
20853			1	\$9,000
20854			8	\$71,999
20855	1	\$9,000	4	\$36,000
20861			1	\$9,000
20866			1	\$9,000
20868	1	\$9,000	1	\$9,000
20871	3	\$27,000	7	\$61,000
20872	1	\$9,000	2	\$18,000
20874	1	\$9,000	12	\$105,000
20876			6	\$48,999
20877			11	\$95,700
20878	1	\$9,000	31	\$271,983
20879	3	\$27,000	12	\$101,499
20882			3	\$27,000
20886			3	\$27,000
20895			8	\$68,000
20901			5	\$45,000
20902			14	\$126,000

County/ Zip Code	Disadvantages Businesses		All Businesses	
	Number	Award	Number	Award
20903			1	\$9,000
20904	5	\$41,700	8	\$68,700
20905	1	\$8,000	3	\$26,000
20906			6	\$54,000
20910	1	\$9,000	9	\$79,500
20912	1	\$8,215	9	\$76,715
21701			1	\$9,000
21704			1	\$9,000
22101			1	\$9,000
20886			1	\$9,000
20850			1	\$9,000
20852			1	\$9,000
Prince George's	33	\$290,321	137	\$1,215,600
20607			2	\$17,500
20613	1	\$9,000	3	\$27,000
20705	1	\$9,000	7	\$63,000
20706	4	\$36,000	9	\$80,000
20707			6	\$54,000
20708	1	\$9,000	4	\$34,980
20710			1	\$9,000
20712			3	\$27,000
20715	1	\$9,000	6	\$53,900
20716	1	\$9,000	6	\$52,500
20720	2	\$18,000	3	\$27,000
20721			3	\$27,000
20722			1	\$9,000
20724	1	\$9,000	1	\$9,000
20735	2	\$16,823	5	\$43,823
20737			3	\$27,000
20740			8	\$72,000
20743	1	\$8,999	6	\$53,999
20744	1	\$3,500	4	\$30,000
20746	1	\$9,000	2	\$18,000
20747			1	\$9,000
20748	1	\$9,000	6	\$53,500
20769			2	\$18,000
20770	1	\$9,000	11	\$97,499
20772	5	\$44,999	7	\$60,499
20774	7	\$63,000	14	\$126,000
20782			1	\$9,000
20784			2	\$17,400
20785	2	\$18,000	7	\$62,000
20878			1	\$9,000

County/ Zip Code	Disadvantages Businesses		All Businesses	
	Number	Award	Number	Award
20912			2	\$18,000
Queen Anne's	1	\$9,000	15	\$133,500
21617			1	\$9,000
21619			4	\$36,000
21666			8	\$70,500
21658			1	\$9,000
21619	1	\$9,000	1	\$9,000
Somerset			1	\$9,000
21817			1	\$9,000
St. Mary's			14	\$126,000
20619			7	\$63,000
20622			1	\$9,000
20634			1	\$9,000
20650			2	\$18,000
20653			2	\$18,000
20680			1	\$9,000
Talbot			8	\$69,000
21601			5	\$42,000
21654			1	\$9,000
21663			1	\$9,000
21673			1	\$9,000
Washington	2	\$18,000	35	\$312,400
21713			1	\$9,000
21733			2	\$18,000
21740	2	\$18,000	20	\$180,000
21742			10	\$87,900
21783			1	\$9,000
21795			1	\$8,500
Wicomico	1	\$9,000	34	\$301,499
19940	1	\$9,000	1	\$9,000
21801			18	\$160,499
21804			9	\$78,000
21826			2	\$18,000
21838			1	\$9,000
21849			1	\$9,000
21875			2	\$18,000
Worcester			11	\$97,500
21401			1	\$9,000
21811			6	\$52,500
21842			4	\$36,000
Grand Total	119	\$1,056,980	1,044	\$9,241,293

Source: Department of Commerce, Department of Budget and Management