



Principal Place of Business

TEDCO evaluates whether a company's principal place of business is located in Maryland by considering the following criteria:

- (1) Do at least fifty percent (50%) of the company's employees (FTE) reside or work in Maryland? Employees are individuals to whom the company issues W-2s and from whose pay it withholds the appropriate income, Social Security, Medicare, unemployment and other taxes under federal and state tax rules and regulations (independent contractors, vendors, accountants, banking and other professionals engaged by a company and issued a Form 1099 are not considered in the determination of a company's principal place of business);
- (2) Is the "nerve center" of the company's business located in Maryland? As articulated by the U.S. Supreme Court, a company's principal place of business is normally the location at which it maintains its headquarters, but that headquarters must be the actual center from which the company's officers direct, control and coordinate the company's activities; and
- (3) Does the company lease or own a facility in Maryland, and if so, what type?