
By: **Delegates Shriver, R. Baker, and Rawlings**
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Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Qualified Maryland Housing Tax Credit**

3 FOR the purpose of allowing a credit against the State insurance premiums tax or the
4 State income tax for certain qualified Maryland housing; providing for
5 allocation of the aggregate available credit among qualified Maryland housing
6 projects by the Secretary of Housing and Community Development; limiting the
7 aggregate credit that may be authorized for any calendar year; authorizing the
8 Secretary to adopt certain regulations; requiring the Secretary to adopt certain
9 regulations or policies; authorizing the Secretary in consultation with the
10 Insurance Commissioner and the Comptroller to adopt certain regulations
11 providing for the recapture of the tax credit under certain circumstances;
12 allowing unused credit to be carried over to certain taxable years; defining
13 certain terms; providing for the application of this Act; and generally relating to
14 a State tax credit for certain qualified Maryland housing.

15 BY adding to
16 Article 83B - Department of Housing and Community Development
17 Section 2-1601 through 2-1605 to be under the new subtitle "Subtitle 16.
18 Qualified Maryland Housing Tax Credit"
19 Annotated Code of Maryland
20 (1998 Replacement Volume and 2000 Supplement)

21 BY adding to
22 Article - Insurance
23 Section 6-121
24 Annotated Code of Maryland
25 (1997 Volume and 2000 Supplement)

26 BY adding to
27 Article - Tax - General
28 Section 10-722
29 Annotated Code of Maryland
30 (1997 Replacement Volume and 2000 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article 83B - Department of Housing and Community Development**

4 SUBTITLE 16. QUALIFIED MARYLAND HOUSING TAX CREDIT.

5 2-1601.

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) "FEDERAL LOW INCOME HOUSING TAX CREDIT" MEANS THE FEDERAL TAX
9 CREDIT AS PROVIDED IN § 42 OF THE INTERNAL REVENUE CODE.

10 (C) "QUALIFIED MARYLAND HOUSING PROJECT" MEANS:

11 (1) A QUALIFIED LOW INCOME HOUSING PROJECT, AS DEFINED IN §
12 42(G) OF THE INTERNAL REVENUE CODE, THAT IS LOCATED IN THE STATE AND THAT
13 QUALIFIES FOR AND RECEIVES AN ALLOCATION OF THE FEDERAL LOW INCOME
14 HOUSING TAX CREDIT; OR

15 (2) A HOUSING PROJECT IN THE STATE THAT MEETS REQUIREMENTS
16 FOR ELIGIBILITY FOR THE STATE TAX CREDIT AS SPECIFIED IN REGULATIONS THAT
17 THE SECRETARY ADOPTS UNDER § 2-1603 OF THIS SUBTITLE.

18 (D) "STATE TAX CREDIT" MEANS THE INSURANCE PREMIUMS TAX CREDIT
19 ALLOWED UNDER § 6-121 OF THE INSURANCE ARTICLE OR THE INCOME TAX CREDIT
20 ALLOWED UNDER § 10-722 OF THE TAX - GENERAL ARTICLE.

21 2-1602.

22 (A) (1) THE OWNER OF A QUALIFIED MARYLAND HOUSING PROJECT OR THE
23 DEVELOPER OF A PROPOSED PROJECT THAT WILL BECOME A QUALIFIED MARYLAND
24 HOUSING PROJECT MAY APPLY TO THE SECRETARY FOR ALLOCATION TO THE
25 PROJECT OF A PORTION OF THE STATE TAX CREDIT.

26 (2) THE STATE TAX CREDIT MAY BE ALLOCATED TO A QUALIFIED
27 MARYLAND HOUSING PROJECT WHETHER OR NOT A FEDERAL LOW INCOME
28 HOUSING TAX CREDIT IS ALLOCATED TO THE QUALIFIED MARYLAND HOUSING
29 PROJECT.

30 (3) ALL OR ANY PORTION OF THE STATE TAX CREDIT ALLOCATED
31 UNDER THIS SUBTITLE MAY BE ALLOCATED TO ANY PERSON WHO OWNS AN
32 INTEREST IN A QUALIFIED MARYLAND HOUSING PROJECT, WHETHER OR NOT THE
33 PERSON IS ALLOCATED A PORTION OF ANY FEDERAL INCOME HOUSING TAX CREDIT
34 ALLOCATED TO THE QUALIFIED MARYLAND HOUSING PROJECT.

1 (B) AN APPLICATION UNDER THIS SECTION SHALL BE IN THE FORM AND
2 MANNER AND CONTAIN ANY INFORMATION THAT THE SECRETARY REQUIRES BY
3 REGULATION.

4 (C) (1) THE SECRETARY MAY REQUIRE THAT THE OWNER OF A QUALIFIED
5 MARYLAND HOUSING PROJECT, AS A CONDITION TO RECEIVING AN ALLOCATION OF
6 THE STATE TAX CREDIT, ENTER INTO A WRITTEN REGULATORY AGREEMENT WITH
7 THE SECRETARY UNDER TERMS AND CONDITIONS SET BY THE SECRETARY,
8 REGARDING THE USE OF THE PROJECT.

9 (2) THE SECRETARY MAY REQUIRE THAT ANY AGREEMENT REQUIRED
10 BY THE SECRETARY UNDER THIS SUBSECTION BE FILED IN THE OFFICIAL LAND
11 RECORDS OF THE COUNTY WHERE THE PROJECT IS LOCATED.

12 (3) THE SECRETARY AND ANY LOCAL AGENCY OR AUTHORITY
13 DESIGNATED BY THE SECRETARY MAY ENFORCE AN AGREEMENT REQUIRED BY THE
14 SECRETARY UNDER THIS SECTION IN THE EVENT THE OWNER FAILS TO SATISFY ANY
15 OF THE REQUIREMENTS OF THE AGREEMENT.

16 2-1603.

17 (A) THE SECRETARY MAY ADOPT ANY REGULATIONS NECESSARY TO
18 ADMINISTER THE PROVISIONS OF THIS SUBTITLE.

19 (B) (1) THE SECRETARY SHALL ADOPT REGULATIONS OR POLICIES
20 ESTABLISHING CRITERIA BY WHICH THE STATE TAX CREDIT WILL BE ALLOCATED
21 AMONG PROJECTS, INCLUDING ANY CRITERIA FOR ELIGIBILITY FOR THE STATE TAX
22 CREDIT FOR PROJECTS THAT DO NOT QUALIFY FOR THE FEDERAL LOW INCOME
23 HOUSING TAX CREDIT.

24 (2) UNDER THE REGULATIONS THAT THE SECRETARY ADOPTS UNDER
25 PARAGRAPH (1) OF THIS SUBSECTION, A PROJECT THAT DOES NOT QUALIFY FOR THE
26 FEDERAL LOW INCOME HOUSING TAX CREDIT MAY BE ELIGIBLE FOR THE STATE TAX
27 CREDIT UNDER THIS SUBTITLE IF THE PROJECT WILL PROVIDE IN WHOLE OR IN
28 PART HOUSING FOR FAMILIES OF LIMITED INCOMES, AS DEFINED IN § 2-203 OF THIS
29 TITLE.

30 (C) (1) THE AGGREGATE AVAILABLE STATE TAX CREDIT FOR EACH
31 CALENDAR YEAR EQUALS THE STATE HOUSING CREDIT CEILING APPLICABLE TO THE
32 STATE FOR THE CALENDAR YEAR UNDER § 42(H)(3)(C) OF THE INTERNAL REVENUE
33 CODE.

34 (2) THE SECRETARY MAY ALLOCATE THE AGGREGATE AVAILABLE
35 STATE TAX CREDIT FOR A CALENDAR YEAR AMONG QUALIFIED MARYLAND HOUSING
36 PROJECTS TO BE PLACED IN SERVICE DURING OR AFTER THAT CALENDAR YEAR.

37 (3) THE TOTAL AMOUNT ALLOCATED IN A CALENDAR YEAR TO ANY
38 QUALIFIED MARYLAND HOUSING PROJECT:

1 (I) MAY BE CLAIMED IN FULL IN THE TAXABLE YEAR FOR WHICH
2 THE CREDIT IS ALLOWED; AND

3 (II) SHALL REDUCE THE AGGREGATE AVAILABLE STATE CREDIT
4 FOR THE CALENDAR YEAR IN WHICH THE ALLOCATION IS MADE.

5 (4) ANY PORTION OF THE AGGREGATE AVAILABLE STATE TAX CREDIT
6 FOR ANY CALENDAR YEAR THAT IS NOT ALLOCATED BY THE SECRETARY IN THAT
7 CALENDAR YEAR MAY BE CARRIED OVER TO ANY SUBSEQUENT CALENDAR YEAR.

8 (D) (1) THE SECRETARY MAY NOT ALLOCATE THE STATE TAX CREDIT IN ANY
9 CALENDAR YEAR IN EXCESS OF THE AGGREGATE AVAILABLE STATE TAX CREDIT FOR
10 THAT YEAR AS SPECIFIED IN SUBSECTION (C) OF THIS SECTION.

11 (2) IF THE AGGREGATE STATE TAX CREDIT ALLOCATED FOR ANY
12 CALENDAR YEAR EXCEEDS THE AGGREGATE AVAILABLE STATE TAX CREDIT FOR
13 THAT YEAR, THE AGGREGATE AVAILABLE STATE TAX CREDIT FOR SUBSEQUENT
14 CALENDAR YEARS SHALL BE REDUCED TO THE EXTENT OF THE EXCESS.

15 (E) ANY PROJECT THAT RECEIVES AN ALLOCATION OF A PORTION OF THE
16 STATE TAX CREDIT WILL BE RESTRICTED IN OCCUPANCY AS SPECIFIED IN THE
17 REGULATIONS ADOPTED BY THE SECRETARY UNDER SUBSECTION (A) OF THIS
18 SECTION FOR A PERIOD OF AT LEAST 3 YEARS COMMENCING WITH THE FIRST
19 TAXABLE YEAR IN WHICH A STATE TAX CREDIT IS CLAIMED BY THE OWNER.

20 2-1604.

21 (A) IF THE SECRETARY ALLOCATES A PORTION OF THE STATE TAX CREDIT TO
22 A PROJECT:

23 (1) THE OWNER SHALL CERTIFY:

24 (I) THAT THE PROJECT IS A QUALIFIED MARYLAND HOUSING
25 PROJECT ELIGIBLE FOR THE STATE TAX CREDIT; AND

26 (II) THE YEAR IN WHICH THE PROJECT WAS PLACED IN SERVICE;
27 AND

28 (2) THE SECRETARY SHALL CERTIFY:

29 (I) THE AMOUNT OF THE STATE TAX CREDIT ALLOCATED TO THE
30 PROJECT; AND

31 (II) THE AMOUNT OF THE STATE TAX CREDIT TRANSFERRED
32 PURSUANT TO § 2-1605 OF THIS SUBTITLE.

33 (B) THE SECRETARY SHALL:

34 (1) DETERMINE IF ANY EVENT OCCURS THAT MAKES THE PROJECT
35 INELIGIBLE FOR THE STATE TAX CREDIT OR OTHERWISE TRIGGERS THE RECAPTURE

1 OF ANY STATE TAX CREDIT ALLOWED FOR THE PROJECT UNDER § 6-121 OF THE
2 INSURANCE ARTICLE OR § 10-722 OF THE TAX - GENERAL ARTICLE; AND

3 (2) NOTIFY THE INSURANCE COMMISSIONER AND THE COMPTROLLER
4 OF THE OCCURRENCE OF SUCH AN EVENT.

5 2-1605.

6 (A) ALL OR ANY PORTION OF THE STATE TAX CREDIT ALLOCATED UNDER THIS
7 SUBTITLE MAY BE TRANSFERRED, SOLD, OR ASSIGNED TO ANY PERSON, WHETHER
8 OR NOT THE PERSON OWNS AN INTEREST IN A QUALIFIED MARYLAND HOUSING
9 PROJECT.

10 (B) (1) AN OWNER OR TRANSFEREE DESIRING TO MAKE A TRANSFER, SALE,
11 OR ASSIGNMENT AS DESCRIBED IN SUBSECTION (A) OF THIS SECTION SHALL SUBMIT
12 TO THE SECRETARY A STATEMENT DESCRIBING THE AMOUNT OF CREDIT FOR WHICH
13 THE TRANSFER, SALE, OR ASSIGNMENT OF CREDIT IS ELIGIBLE, AND THE
14 SECRETARY SHALL ISSUE A CERTIFICATE REPRESENTING THE AMOUNT OF THE
15 CREDIT AVAILABLE TO THE TRANSFEREE.

16 (2) THE OWNER SHALL PROVIDE TO THE SECRETARY APPROPRIATE
17 INFORMATION SO THAT THE STATE TAX CREDIT CAN BE PROPERLY ALLOCATED.

18 (C) (1) IF RECAPTURE OF THE STATE TAX CREDIT IS REQUIRED UNDER §
19 6-121 OF THE INSURANCE ARTICLE OR § 10-722 OF THE TAX - GENERAL ARTICLE, ANY
20 STATEMENT SUBMITTED TO THE SECRETARY UNDER THIS SECTION SHALL INCLUDE
21 THE PROPORTION OF THE STATE TAX CREDIT REQUIRED TO BE RECAPTURED, THE
22 IDENTIFY OF EACH TRANSFEREE SUBJECT TO RECAPTURE, AND THE AMOUNT OF
23 CREDIT PREVIOUSLY TRANSFERRED TO EACH TRANSFEREE.

24 (2) EACH TRANSFEREE SHALL HAVE ALL RIGHTS TO APPEAL UNDER
25 THE INSURANCE ARTICLE OR THE TAX - GENERAL ARTICLE A DECISION TO
26 RECAPTURE OR ANY OTHER ADVERSE DECISION AFFECTING THE STATE TAX CREDIT
27 ALLOCATED TO THAT TRANSFEREE.

28 ARTICLE - INSURANCE

29 6-121.

30 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
31 INDICATED.

32 (2) "FEDERAL LOW INCOME HOUSING TAX CREDIT" MEANS THE
33 FEDERAL TAX CREDIT AS PROVIDED IN § 42 OF THE INTERNAL REVENUE CODE.

34 (3) "QUALIFIED MARYLAND HOUSING PROJECT" HAS THE MEANING
35 STATED IN ARTICLE 83B, § 2-1601 OF THE CODE.

36 (4) "SECRETARY" MEANS THE SECRETARY OF HOUSING AND
37 COMMUNITY DEVELOPMENT.

1 (B) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, AN INSURER
2 MAY CLAIM A CREDIT AGAINST THE PREMIUM TAX IN THE AMOUNT DETERMINED
3 UNDER SUBSECTION (C) OF THIS SECTION FOR A QUALIFIED MARYLAND HOUSING
4 PROJECT.

5 (C) (1) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS
6 SUBSECTION, THE CREDIT UNDER THIS SECTION EQUALS THE SUM OF:

7 (I) THE AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS
8 SUBSECTION FOR EACH QUALIFIED MARYLAND HOUSING PROJECT; AND

9 (II) ANY CREDIT CARRIED OVER FROM ANOTHER TAXABLE YEAR
10 UNDER SUBSECTION (D) OF THIS SECTION.

11 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
12 PARAGRAPH, THE AMOUNT ALLOWED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION
13 FOR EACH QUALIFIED MARYLAND HOUSING PROJECT EQUALS THE AMOUNT OF THE
14 STATE TAX CREDIT ALLOCATED TO THE PROJECT, AS CERTIFIED BY THE SECRETARY
15 UNDER ARTICLE 83B, § 2-1604 OF THE CODE.

16 (II) THE CREDIT AMOUNT ALLOWED FOR A PROJECT UNDER
17 SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BE CLAIMED IN FULL:

18 1. IN THE CASE OF A PROJECT THAT HAS RECEIVED AN
19 ALLOCATION OF THE FEDERAL LOW INCOME HOUSING TAX CREDIT, FOR THE FIRST
20 TAXABLE YEAR FOR WHICH THE FEDERAL LOW INCOME HOUSING TAX CREDIT MAY
21 BE CLAIMED; OR

22 2. IN THE CASE OF A PROJECT THAT HAS NOT RECEIVED AN
23 ALLOCATION OF THE FEDERAL LOW INCOME HOUSING TAX CREDIT, THE FIRST
24 TAXABLE YEAR THE PROJECT IS PLACED IN SERVICE, AS DEFINED IN § 42 OF THE
25 INTERNAL REVENUE CODE.

26 (3) FOR EACH TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
27 SECTION MAY NOT EXCEED THE PREMIUM TAX THAT WOULD OTHERWISE BE
28 IMPOSED FOR THAT TAXABLE YEAR, DETERMINED AFTER THE SUBTRACTION OF ANY
29 OTHER CREDITS ALLOWED UNDER THIS SUBTITLE.

30 (4) THE SAME CREDIT MAY NOT BE CLAIMED UNDER THIS SECTION AND
31 UNDER § 10-722 OF THE TAX - GENERAL ARTICLE.

32 (D) IF, AS A RESULT OF THE LIMITATION UNDER SUBSECTION (C)(3) OF THIS
33 SECTION, A PORTION OF THE CREDIT OTHERWISE ALLOWABLE IS UNUSED FOR THE
34 TAXABLE YEAR, UNTIL THE FULL AMOUNT OF THE UNUSED CREDIT IS USED THE
35 INSURER MAY APPLY THE UNUSED CREDIT AS A CREDIT AGAINST THE PREMIUM TAX
36 FOR:

37 (1) THE TAXABLE YEAR PRECEDING THE TAXABLE YEAR FOR WHICH
38 THE CREDIT IS ALLOWED UNDER SUBSECTION (C)(2)(II) OF THIS SECTION; AND

1 (2) UP TO 5 TAXABLE YEARS FOLLOWING THE TAXABLE YEAR FOR
2 WHICH THE CREDIT IS ALLOWED UNDER SUBSECTION (C)(2)(II) OF THIS SECTION.

3 (E) AN INSURER CLAIMING THE STATE TAX CREDIT FOR A QUALIFIED
4 MARYLAND HOUSING PROJECT SHALL SUBMIT WITH THE INSURER'S PREMIUM TAX
5 RETURN A COPY OF THE SECRETARY'S CERTIFICATION FOR THE QUALIFIED
6 MARYLAND HOUSING PROJECT UNDER ARTICLE 83B, § 2-1604 OF THE CODE.

7 (F) THE SECRETARY IN CONSULTATION WITH THE INSURANCE
8 COMMISSIONER MAY ADOPT REGULATIONS PROVIDING FOR THE RECAPTURE OF THE
9 STATE TAX CREDITS ALLOWED UNDER THIS SECTION FOR A QUALIFIED MARYLAND
10 HOUSING PROJECT THAT FAILS TO CONTINUE TO MEET ALL STATE REQUIREMENTS
11 UNDER WHICH IT QUALIFIED FOR THE STATE TAX CREDITS.

12 (G) AN INSURER MAY NOT CLAIM THE CREDIT ALLOWED UNDER THIS
13 SECTION FOR A PROJECT FOR ANY TAXABLE YEAR IN WHICH THE OWNER OF THE
14 PROJECT IS IN DEFAULT UNDER ANY REGULATORY AGREEMENT REQUIRED WITH
15 RESPECT TO THE PROJECT REQUIRED UNDER ARTICLE 83B, § 2-1602 OF THE CODE.

16 **Article - Tax - General**

17 10-722.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (2) "FEDERAL LOW INCOME HOUSING TAX CREDIT" MEANS THE
21 FEDERAL TAX CREDIT AS PROVIDED IN § 42 OF THE INTERNAL REVENUE CODE.

22 (3) "QUALIFIED MARYLAND HOUSING PROJECT" HAS THE MEANING
23 STATED IN ARTICLE 83B, § 2-1601 OF THE CODE.

24 (4) "SECRETARY" MEANS THE SECRETARY OF HOUSING AND
25 COMMUNITY DEVELOPMENT.

26 (B) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE
27 STATE INCOME TAX IN THE AMOUNT DETERMINED UNDER SUBSECTION (C) OF THIS
28 SECTION FOR A QUALIFIED MARYLAND HOUSING PROJECT.

29 (C) (1) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS
30 SUBSECTION, THE CREDIT UNDER THIS SECTION EQUALS THE SUM OF:

31 (I) THE AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS
32 SUBSECTION FOR EACH QUALIFIED MARYLAND HOUSING PROJECT; AND

33 (II) ANY CREDIT CARRIED OVER FROM ANOTHER TAXABLE YEAR
34 UNDER SUBSECTION (D) OF THIS SECTION.

35 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
36 PARAGRAPH, THE AMOUNT ALLOWED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION

1 FOR EACH QUALIFIED MARYLAND HOUSING PROJECT EQUALS THE AMOUNT OF THE
2 STATE TAX CREDIT ALLOCATED TO THE PROJECT, AS CERTIFIED BY THE SECRETARY
3 UNDER ARTICLE 83B, § 2-1604 OF THE CODE.

4 (II) THE CREDIT AMOUNT ALLOWED FOR A PROJECT UNDER
5 SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BE CLAIMED IN FULL:

6 1. IN THE CASE OF A PROJECT THAT HAS RECEIVED AN
7 ALLOCATION OF THE FEDERAL LOW INCOME HOUSING TAX CREDIT, FOR THE FIRST
8 TAXABLE YEAR FOR WHICH THE FEDERAL LOW INCOME HOUSING TAX CREDIT MAY
9 BE CLAIMED; OR

10 2. IN THE CASE OF A PROJECT THAT HAS NOT RECEIVED AN
11 ALLOCATION OF THE FEDERAL LOW INCOME HOUSING TAX CREDIT, THE FIRST
12 TAXABLE YEAR THE PROJECT IS PLACED IN SERVICE, AS DEFINED IN § 42 OF THE
13 INTERNAL REVENUE CODE.

14 (3) FOR EACH TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
15 SECTION MAY NOT EXCEED THE STATE INCOME TAX THAT WOULD OTHERWISE BE
16 IMPOSED FOR THAT TAXABLE YEAR, DETERMINED BEFORE THE APPLICATION OF
17 THE CREDITS ALLOWED UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS
18 SUBTITLE, BUT AFTER THE APPLICATION OF ANY OTHER CREDITS ALLOWED UNDER
19 THIS SUBTITLE.

20 (4) THE SAME CREDIT MAY NOT BE CLAIMED UNDER THIS SECTION AND
21 UNDER § 6-121 OF THE INSURANCE ARTICLE.

22 (D) IF, AS A RESULT OF THE LIMITATION UNDER SUBSECTION (C)(3) OF THIS
23 SECTION, A PORTION OF THE CREDIT OTHERWISE ALLOWABLE IS UNUSED FOR THE
24 TAXABLE YEAR, UNTIL THE FULL AMOUNT OF THE UNUSED CREDIT IS USED THE
25 INDIVIDUAL OR CORPORATION MAY APPLY THE UNUSED CREDIT AS A CREDIT
26 AGAINST THE STATE INCOME TAX FOR:

27 (1) THE TAXABLE YEAR PRECEDING THE TAXABLE YEAR FOR WHICH
28 THE CREDIT IS ALLOWED UNDER SUBSECTION (C)(2)(II) OF THIS SECTION; AND

29 (2) UP TO 5 TAXABLE YEARS FOLLOWING THE TAXABLE YEAR FOR
30 WHICH THE CREDIT IS ALLOWED UNDER SUBSECTION (C)(2)(II) OF THIS SECTION.

31 (E) AN INDIVIDUAL OR CORPORATION CLAIMING THE STATE TAX CREDIT FOR
32 A QUALIFIED MARYLAND HOUSING PROJECT SHALL SUBMIT WITH THE INDIVIDUAL'S
33 OR CORPORATION'S INCOME TAX RETURN A COPY OF THE SECRETARY'S
34 CERTIFICATION FOR THE QUALIFIED MARYLAND HOUSING PROJECT UNDER
35 ARTICLE 83B, § 2-1604 OF THE CODE.

36 (F) THE SECRETARY IN CONSULTATION WITH THE COMPTROLLER MAY ADOPT
37 REGULATIONS PROVIDING FOR THE RECAPTURE OF THE STATE TAX CREDITS
38 ALLOWED UNDER THIS SECTION FOR A QUALIFIED MARYLAND HOUSING PROJECT
39 THAT FAILS TO CONTINUE TO MEET ALL STATE REQUIREMENTS UNDER WHICH IT
40 QUALIFIED FOR THE STATE TAX CREDITS.

1 (G) AN INDIVIDUAL OR CORPORATION MAY NOT CLAIM THE CREDIT ALLOWED
2 UNDER THIS SECTION FOR A PROJECT FOR ANY TAXABLE YEAR IN WHICH THE
3 OWNER OF THE PROJECT IS IN DEFAULT UNDER ANY REGULATORY AGREEMENT
4 REQUIRED WITH RESPECT TO THE PROJECT REQUIRED UNDER ARTICLE 83B, § 2-1602
5 OF THE CODE.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2001, and shall be applicable to all taxable years beginning after December
8 31, 2001.