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§10–703.2.

(a) In this section, "installment sale" has the meaning stated in § 453(b) of the Internal Revenue Code.

(b) A credit against the State income tax in the amount determined under subsection (c) of this section may be claimed by a resident who recognizes income for the current taxable year for federal income tax purposes from an installment sale of property located in a state other than Maryland if:

(1) the disposition of the property occurred in an earlier taxable year; and

(2) the taxpayer paid state tax on income for the earlier taxable year to the state where the property was located on the income that for federal income tax purposes is recognized in the current taxable year.

(c) The amount of the credit allowed under this section is equal to the income recognized for federal income tax purposes for the current year on which state income tax was paid to another state in an earlier year, as described in subsection (b)(2) of this section, multiplied by the lesser of:

(1) the rate of tax imposed by the other state on the income described in subsection (b)(2) of this section; or

(2) the maximum rate of Maryland State income tax.

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