

# HOUSE BILL 275

C8

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By: **Chair, Ways and Means Committee (By Request – Departmental – Housing and Community Development)**

Introduced and read first time: January 25, 2016

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Department of Housing and Community Development – Neighborhood and**  
3 **Community Assistance Program – Community Investment Tax Credit**

4 FOR the purpose of requiring the Department of Housing and Community Development to  
5 provide certain notice and opportunity to comment to certain local governing bodies  
6 before the Department may approve projects under the Neighborhood and  
7 Community Assistance Program; repealing the requirement that certain local  
8 governing bodies or their authorized designees must approve certain proposals;  
9 increasing the maximum sum of contributions for certain projects under the  
10 Neighborhood and Community Assistance Program that are eligible for a certain tax  
11 credit; providing for the application of this Act; and generally relating to the  
12 Neighborhood and Community Assistance Program.

13 BY repealing and reenacting, without amendments,  
14 Article – Housing and Community Development  
15 Section 6–404  
16 Annotated Code of Maryland  
17 (2006 Volume and 2015 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Housing and Community Development  
20 Section 6–405(c)  
21 Annotated Code of Maryland  
22 (2006 Volume and 2015 Supplement)

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

25 **Article – Housing and Community Development**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 6-404.

2 (a) (1) For a contribution worth \$500 or more in goods, money, or real property  
3 to an approved project, a business entity or an individual is entitled to a tax credit in the  
4 amount determined under subsection (b) of this section.

5 (2) No part of a tax credit under this section may be taken more than once.

6 (b) (1) Except as provided in paragraph (2) of this subsection, the credit  
7 allowed to a business entity or an individual under this section equals 50% of the amount  
8 of contributions:

9 (i) that the Department approves under subsection (c) of this  
10 section; and

11 (ii) that were made during the taxable year for which the credit is  
12 claimed.

13 (2) The credit allowed under this section for any taxable year may not  
14 exceed the lesser of:

15 (i) \$250,000; and

16 (ii) the total amount of tax otherwise payable by the business entity  
17 or individual for the taxable year.

18 (3) Any excess credit that would be allowed but for the limits of paragraph  
19 (2) of this subsection may be carried over and applied as a credit for up to 5 taxable years  
20 after the taxable year in which the contribution was made, until the full amount of the  
21 excess is used.

22 (c) (1) To qualify for a credit for a contribution under this section, before  
23 making a contribution, a business entity or an individual shall apply for and receive  
24 approval of the contribution from the Department.

25 (2) Each application for approval of a contribution shall contain:

26 (i) the name of the approved project to which the contribution will  
27 be made;

28 (ii) the amount of the contribution; and

29 (iii) a certification by an independent and unrelated third party as to  
30 the value of any nonmonetary contribution included or, for new goods, an invoice or receipt  
31 certifying the contribution's net cost to the business entity or individual.

32 (3) The Department may not approve an application if it determines that:

1 (i) the maximum amount of contributions eligible for a tax credit for  
2 the project for the fiscal year will be exceeded by the sum of:

- 3 1. the amount of the proposed contribution; and  
4 2. the total amount of contributions previously approved for  
5 that project for the fiscal year; or

6 (ii) the applicant has overstated the value of a nonmonetary  
7 contribution.

8 (4) On or before January 31 of each year, the Department shall report to  
9 the Department of Assessments and Taxation, the Comptroller, and the Maryland  
10 Insurance Administration the contributions that the Department has approved under this  
11 section in the preceding calendar year.

12 6-405.

13 (c) (1) The Department may not approve a proposal submitted under this  
14 section [unless the proposal is approved by] **UNTIL AFTER IT HAS PROVIDED WRITTEN**  
15 **NOTICE AND A REASONABLE OPPORTUNITY TO COMMENT TO** the governing body [or  
16 authorized designee] of:

17 (i) each county that includes any of the priority funding area that  
18 benefits from the project, if the project is not in a municipal corporation;

19 (ii) each municipal corporation that includes any of the priority  
20 funding area that benefits from the project; or

21 (iii) each political subdivision that includes any of the priority  
22 funding area that benefits from the project, if the priority funding area is partly within and  
23 partly outside of any municipal corporation.

24 (2) An approval shall:

25 (i) be in writing; and

26 (ii) state the maximum amount of contributions to the approved  
27 project that are eligible for a tax credit under § 6-404 of this subtitle.

28 (3) The sum of contributions eligible for a tax credit under § 6-404 of this  
29 subtitle for all approved projects for a fiscal year may not exceed **[\$3,500,000] \$7,000,000.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
31 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2016.