

# HOUSE BILL 1021

Q3, C8

8lr0367

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By: **Delegates Tarlau, Moon, and K. Young**

Introduced and read first time: February 7, 2018

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Heritage Structure Rehabilitation Tax Credit – Single-Family,**  
3 **Owner-Occupied Residence – Income Limitation**

4 FOR the purpose of providing that an individual or a married couple with a federal adjusted  
5 gross income in excess of a certain amount may not claim a State income tax credit  
6 for the certified rehabilitation of certain single-family, owner-occupied residences;  
7 providing for the phase-down of the value of a certain credit if an individual or a  
8 married couple has a federal adjusted gross income in excess of a certain amount;  
9 applying this Act to initial credit certificates issued after a certain date; and  
10 generally relating to the Heritage Structure Rehabilitation Tax Credit.

11 BY repealing and reenacting, without amendments,  
12 Article – State Finance and Procurement  
13 Section 5A-303(c)(1)(i)  
14 Annotated Code of Maryland  
15 (2015 Replacement Volume and 2017 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – State Finance and Procurement  
18 Section 5A-303(c)(2)(ii)  
19 Annotated Code of Maryland  
20 (2015 Replacement Volume and 2017 Supplement)

21 BY adding to  
22 Article – State Finance and Procurement  
23 Section 5A-303(c)(6)  
24 Annotated Code of Maryland  
25 (2015 Replacement Volume and 2017 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                                   **Article – State Finance and Procurement**

2   5A–303.

3           (c)   (1)   (i)   Except as otherwise provided in this section, for the taxable year  
4 in which a certified rehabilitation is completed, an individual or business entity may claim  
5 a tax credit in an amount equal to 20% of the individual’s or business entity’s qualified  
6 rehabilitation expenditures for the rehabilitation.

7                   (2)   (ii)   **[For] SUBJECT TO THE LIMITATION UNDER PARAGRAPH (6)**  
8 **OF THIS SUBSECTION, FOR** a rehabilitation other than a commercial rehabilitation, the  
9 State tax credit allowed under this section may not exceed \$50,000.

10                   **(6)   (I)   THE LIMITATION UNDER THIS PARAGRAPH DOES NOT**  
11 **APPLY TO A COMMERCIAL REHABILITATION OR A SMALL COMMERCIAL PROJECT.**

12                                   **(II)   AN INDIVIDUAL OR A MARRIED COUPLE MAY NOT CLAIM A**  
13 **CREDIT UNDER THIS SECTION IF THE INDIVIDUAL’S OR MARRIED COUPLE’S**  
14 **FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR IN WHICH THE CREDIT**  
15 **IS TO BE CLAIMED EXCEEDS:**

16   **1.   \$500,000, FOR AN INDIVIDUAL WHO DOES NOT FILE A**  
17 **JOINT INCOME TAX RETURN; OR**

18   **2.   \$1,000,000, FOR A MARRIED COUPLE FILING A JOINT**  
19 **INCOME TAX RETURN.**

20                                   **(III)   IN THE CASE OF AN INDIVIDUAL WHO DOES NOT FILE A**  
21 **JOINT INCOME TAX RETURN, IF THE INDIVIDUAL’S FEDERAL ADJUSTED GROSS**  
22 **INCOME FOR THE TAXABLE YEAR EXCEEDS \$491,000, THE CREDIT OTHERWISE**  
23 **ALLOWED UNDER THIS SECTION SHALL BE REDUCED BY 10% FOR EACH \$1,000 OR**  
24 **FRACTION OF \$1,000 BY WHICH THE INDIVIDUAL’S FEDERAL ADJUSTED GROSS**  
25 **INCOME EXCEEDS \$491,000.**

26                                   **(IV)   IN THE CASE OF A MARRIED COUPLE FILING A JOINT**  
27 **INCOME TAX RETURN, IF THE MARRIED COUPLE’S FEDERAL ADJUSTED GROSS**  
28 **INCOME FOR THE TAXABLE YEAR EXCEEDS \$991,000, THE CREDIT OTHERWISE**  
29 **ALLOWED UNDER THIS SECTION SHALL BE REDUCED BY 10% FOR EACH \$1,000 OR**  
30 **FRACTION OF \$1,000 BY WHICH THE COUPLE’S FEDERAL ADJUSTED GROSS INCOME**  
31 **EXCEEDS \$991,000.**

32           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
33 1, 2018, and shall be applicable to all initial credit certificates issued for the Heritage  
34 Structure Rehabilitation Tax Credit on or after July 1, 2018.