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By: **Delegate Campbell**

Introduced and read first time: February 10, 1999

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit for State Transfer Tax Paid on Purchase of Home in**  
3 **Designated Neighborhood Revitalization Areas**

4 FOR the purpose of allowing an individual to claim a credit against the State income  
5 tax for certain transfer tax paid for certain owner-occupied residential real  
6 property located in certain designated neighborhood revitalization areas;  
7 providing for the application of this Act; and generally relating to a State income  
8 tax credit for certain transfer tax paid for certain owner-occupied residential  
9 real property.

10 BY adding to

11 Article - Tax - General  
12 Section 10-712  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume and 1998 Supplement)

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

17 **Article - Tax - General**

18 10-712.

19 (A) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX  
20 FOR A TAXABLE YEAR IN AN AMOUNT EQUAL TO THE STATE TRANSFER TAX PAID  
21 DURING THE TAXABLE YEAR BY THE INDIVIDUAL UNDER TITLE 13, SUBTITLE 2 OF  
22 THE TAX - PROPERTY ARTICLE ON AN INSTRUMENT OF WRITING FOR THE PURCHASE  
23 OF RESIDENTIAL REAL PROPERTY THAT:

24 (1) IS LOCATED IN AN AREA DESIGNATED AS AN ELIGIBLE  
25 NEIGHBORHOOD FOR ECONOMIC REVITALIZATION ASSISTANCE UNDER ARTICLE 83B,  
26 § 4-203 OF THE CODE; AND

27 (2) THE INDIVIDUAL OCCUPIES AS THE INDIVIDUAL'S PRINCIPAL  
28 RESIDENCE AFTER THE PURCHASE.

1 (B) (1) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE  
2 STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR, DETERMINED BEFORE THE  
3 APPLICATION OF THE CREDITS ALLOWED UNDER THIS SECTION AND §§ 10-701 AND  
4 10-701.1 OF THIS SUBTITLE BUT AFTER THE APPLICATION OF ANY OTHER CREDITS  
5 ALLOWED UNDER THIS TITLE.

6 (2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY  
7 NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 July 1, 1999 and shall be applicable to all taxable years beginning after December 31,  
10 1998.