

HOUSE BILL 698

Unofficial Copy
Q7
HB 888/01 - W&M

2002 Regular Session
2lr0356
CF 2lr2719

By: **Delegates Shriver, Benson, C. Davis, Bronrott, Dembrow, Cryor, Menes,
Fulton, Marriott, Kirk, Leopold, Petzold, Carlson, Cadden, Rosenberg,
McKee, Riley, Dypski, Phillips, Glassman, Sophocleus, Cane, Franchot,
DeCarlo, Turner, V. Jones, Hurson, Swain, A. Jones, and Eckardt**

Introduced and read first time: February 6, 2002

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 2001 Supplement)

21 BY adding to

22 Article - Insurance
23 Section 6-121
24 Annotated Code of Maryland
25 (1997 Volume and 2001 Supplement)

26 BY adding to

27 Article - Tax - General
28 Section 10-724

1 Annotated Code of Maryland
2 (1997 Replacement Volume and 2001 Supplement)

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

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

6 SUBTITLE 16. QUALIFIED MARYLAND HOUSING TAX CREDIT.
7 2-1601.

8 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
9 INDICATED.

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

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

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

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

20 (D) "STATE TAX CREDIT" MEANS THE INSURANCE PREMIUMS TAX CREDIT
21 ALLOWED UNDER § 6-121 OF THE INSURANCE ARTICLE OR THE INCOME TAX CREDIT
22 ALLOWED UNDER § 10-724 OF THE TAX - GENERAL ARTICLE.

23 2-1602.

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

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

32 (3) ALL OR ANY PORTION OF THE STATE TAX CREDIT ALLOCATED
33 UNDER THIS SUBTITLE MAY BE ALLOCATED TO AN OWNER OF A QUALIFIED
34 MARYLAND HOUSING PROJECT, WHETHER OR NOT THE OWNER IS ALLOCATED A
35 PORTION OF ANY FEDERAL INCOME HOUSING TAX CREDIT ALLOCATED TO THE
36 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 LOW INCOMES, AS DETERMINED UNDER
29 PARAGRAPH (3) OF THIS SUBSECTION.

30 (3) FOR PURPOSES OF THIS SUBSECTION, A PROJECT WILL BE
31 CONSIDERED TO PROVIDE IN WHOLE OR IN PART HOUSING FOR FAMILIES OF LOW
32 INCOMES IF:

33 (I) AT LEAST 20% OF THE RESIDENTIAL UNITS ARE OCCUPIED BY
34 INDIVIDUALS OR FAMILIES WHOSE INCOME IS 50% OR LESS OF AREA MEDIAN
35 INCOME; OR

36 (II) AT LEAST 40% OF THE RESIDENTIAL UNITS ARE OCCUPIED BY
37 INDIVIDUALS OR FAMILIES WHOSE INCOME IS 60% OR LESS OF AREA MEDIAN
38 INCOME.

1 (C) (1) THE AGGREGATE AVAILABLE STATE TAX CREDIT FOR EACH
2 CALENDAR YEAR EQUALS 50% OF THE STATE HOUSING CREDIT CEILING APPLICABLE
3 TO THE STATE FOR THE CALENDAR YEAR UNDER § 42(H)(3)(C) OF THE INTERNAL
4 REVENUE CODE.

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

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

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

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

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

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

21 (2) IF THE AGGREGATE STATE TAX CREDIT ALLOCATED FOR ANY
22 CALENDAR YEAR EXCEEDS THE AGGREGATE AVAILABLE STATE TAX CREDIT FOR
23 THAT YEAR, THE AGGREGATE AVAILABLE STATE TAX CREDIT FOR SUBSEQUENT
24 CALENDAR YEARS SHALL BE REDUCED TO THE EXTENT OF THE EXCESS.

25 (E) ANY PROJECT THAT RECEIVES AN ALLOCATION OF A PORTION OF THE
26 STATE TAX CREDIT SHALL BE RESTRICTED IN OCCUPANCY AS SPECIFIED IN THE
27 REGULATIONS ADOPTED BY THE SECRETARY UNDER SUBSECTION (A) OF THIS
28 SECTION FOR A PERIOD OF AT LEAST 4 YEARS COMMENCING WITH THE FIRST
29 TAXABLE YEAR IN WHICH A STATE TAX CREDIT IS CLAIMED BY THE OWNER.

30 2-1604.

31 (A) IF THE SECRETARY ALLOCATES A PORTION OF THE STATE TAX CREDIT TO
32 A PROJECT:

33 (1) THE OWNER SHALL CERTIFY:

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

36 (II) THE YEAR IN WHICH THE PROJECT WAS PLACED IN SERVICE;
37 AND

1 (2) THE SECRETARY SHALL CERTIFY:

2 (I) THE AMOUNT OF THE STATE TAX CREDIT ALLOCATED TO THE
3 PROJECT; AND

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

6 (B) THE SECRETARY SHALL:

7 (1) DETERMINE IF ANY EVENT OCCURS IN VIOLATION OF § 2-1603(E) OF
8 THIS SUBTITLE THAT MAKES THE PROJECT INELIGIBLE FOR THE STATE TAX CREDIT
9 OR OTHERWISE TRIGGERS THE RECAPTURE OF ANY STATE TAX CREDIT ALLOWED
10 FOR THE PROJECT UNDER § 6-121 OF THE INSURANCE ARTICLE OR § 10-724 OF THE
11 TAX - GENERAL ARTICLE; AND

12 (2) NOTIFY THE INSURANCE COMMISSIONER AND THE COMPTROLLER
13 OF THE OCCURRENCE OF SUCH AN EVENT.

14 2-1605.

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

19 (B) (1) AN OWNER OR TRANSFEREE DESIRING TO MAKE A TRANSFER, SALE,
20 OR ASSIGNMENT AS DESCRIBED IN SUBSECTION (A) OF THIS SECTION SHALL SUBMIT
21 TO THE SECRETARY A STATEMENT DESCRIBING THE AMOUNT OF CREDIT FOR WHICH
22 THE TRANSFER, SALE, OR ASSIGNMENT OF CREDIT IS ELIGIBLE, AND THE
23 SECRETARY SHALL ISSUE A CERTIFICATE REPRESENTING THE AMOUNT OF THE
24 CREDIT AVAILABLE TO THE TRANSFEREE.

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

27 (C) (1) IF RECAPTURE OF THE STATE TAX CREDIT IS REQUIRED UNDER §
28 6-121 OF THE INSURANCE ARTICLE OR § 10-724 OF THE TAX - GENERAL ARTICLE, ANY
29 STATEMENT SUBMITTED TO THE SECRETARY UNDER THIS SECTION SHALL INCLUDE
30 THE PROPORTION OF THE STATE TAX CREDIT REQUIRED TO BE RECAPTURED, THE
31 IDENTITY OF EACH TRANSFEREE SUBJECT TO RECAPTURE, AND THE AMOUNT OF
32 CREDIT PREVIOUSLY TRANSFERRED TO EACH TRANSFEREE.

33 (2) EACH TRANSFEREE SHALL HAVE ALL RIGHTS TO APPEAL UNDER
34 THE INSURANCE ARTICLE OR THE TAX - GENERAL ARTICLE A DECISION TO
35 RECAPTURE OR ANY OTHER ADVERSE DECISION AFFECTING THE STATE TAX CREDIT
36 ALLOCATED TO THAT TRANSFEREE.

Article - Insurance

1 6-121.

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

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

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

8 (4) "SECRETARY" MEANS THE SECRETARY OF HOUSING AND
9 COMMUNITY DEVELOPMENT.

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

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

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

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

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

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

27 1. IN THE CASE OF A PROJECT THAT HAS RECEIVED AN
28 ALLOCATION OF THE FEDERAL LOW INCOME HOUSING TAX CREDIT, FOR THE FIRST
29 TAXABLE YEAR FOR WHICH THE FEDERAL LOW INCOME HOUSING TAX CREDIT MAY
30 BE CLAIMED; OR

31 2. IN THE CASE OF A PROJECT THAT HAS NOT RECEIVED AN
32 ALLOCATION OF THE FEDERAL LOW INCOME HOUSING TAX CREDIT, THE FIRST
33 TAXABLE YEAR THE PROJECT IS PLACED IN SERVICE, WITHIN THE MEANING OF § 42
34 OF THE INTERNAL REVENUE CODE.
35

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

5 (4) THE SAME CREDIT MAY NOT BE CLAIMED UNDER THIS SECTION AND
6 UNDER § 10-724 OF THE TAX - GENERAL ARTICLE.

7 (D) IF, AS A RESULT OF THE LIMITATION UNDER SUBSECTION (C)(3) OF THIS
8 SECTION, A PORTION OF THE CREDIT OTHERWISE ALLOWABLE IS UNUSED FOR THE
9 TAXABLE YEAR, UNTIL THE FULL AMOUNT OF THE UNUSED CREDIT IS USED THE
10 INSURER MAY APPLY THE UNUSED CREDIT AS A CREDIT AGAINST THE PREMIUM TAX
11 FOR:

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

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

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

20 (F) THE SECRETARY IN CONSULTATION WITH THE INSURANCE
21 COMMISSIONER MAY ADOPT REGULATIONS PROVIDING FOR THE RECAPTURE OF THE
22 STATE TAX CREDITS ALLOWED UNDER THIS SECTION FOR A QUALIFIED MARYLAND
23 HOUSING PROJECT THAT FAILS TO CONTINUE TO MEET THE REQUIREMENTS OF
24 ARTICLE 83B, § 2-1603(E) OF THE CODE.

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

29 **Article - Tax - General**

30 10-724.

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

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

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

1 (4) "SECRETARY" MEANS THE SECRETARY OF HOUSING AND
2 COMMUNITY DEVELOPMENT.

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

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

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

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

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

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

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

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

27 (3) FOR EACH TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
28 SECTION MAY NOT EXCEED THE STATE INCOME TAX THAT WOULD OTHERWISE BE
29 IMPOSED FOR THAT TAXABLE YEAR, DETERMINED BEFORE THE APPLICATION OF
30 THE CREDITS ALLOWED UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS
31 SUBTITLE, BUT AFTER THE APPLICATION OF ANY OTHER CREDITS ALLOWED UNDER
32 THIS SUBTITLE.

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

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

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

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

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

10 (F) THE SECRETARY IN CONSULTATION WITH THE COMPTROLLER MAY ADOPT
11 REGULATIONS PROVIDING FOR THE RECAPTURE OF THE STATE TAX CREDITS
12 ALLOWED UNDER THIS SECTION FOR A QUALIFIED MARYLAND HOUSING PROJECT
13 THAT FAILS TO CONTINUE TO MEET THE REQUIREMENTS OF ARTICLE 83B, § 2-1603(E)
14 OF THE CODE.

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

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2002, and shall be applicable to all taxable years beginning after December
22 31, 2002.