

SENATE BILL 770

Unofficial Copy  
Q7  
HB 888/01 - W&M

2002 Regular Session  
2lr2719  
CF 2lr0356

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By: **Senator Exum**

Introduced and read first time: February 1, 2002

Assigned to: Budget and Taxation

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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  
29 Annotated Code of Maryland  
30 (1997 Replacement Volume and 2001 Supplement)

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

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

4 SUBTITLE 16. QUALIFIED MARYLAND HOUSING TAX CREDIT.

5 2-1601.

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

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

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

11 (1) A QUALIFIED LOW INCOME HOUSING PROJECT, AS DEFINED IN §  
12 42(G) OF THE INTERNAL REVENUE CODE, THAT IS LOCATED IN THE STATE AND THAT  
13 QUALIFIES FOR AND RECEIVES AN ALLOCATION OF THE FEDERAL LOW INCOME  
14 HOUSING TAX CREDIT; OR

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

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

21 2-1602.

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

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

30 (3) ALL OR ANY PORTION OF THE STATE TAX CREDIT ALLOCATED  
31 UNDER THIS SUBTITLE MAY BE ALLOCATED TO AN OWNER OF A QUALIFIED  
32 MARYLAND HOUSING PROJECT, WHETHER OR NOT THE OWNER IS ALLOCATED A  
33 PORTION OF ANY FEDERAL INCOME HOUSING TAX CREDIT ALLOCATED TO THE  
34 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 THE STATE HOUSING CREDIT CEILING APPLICABLE TO THE  
3 STATE FOR THE CALENDAR YEAR UNDER § 42(H)(3)(C) OF THE INTERNAL REVENUE  
4 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 3 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.