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By: **Delegates Rosenberg and Bobo**

Introduced and read first time: February 11, 2005

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 23, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Neighborhood and Community Assistance Program - Approved Projects -**  
 3 **Contributions and Tax Credits**

4 FOR the purpose of allowing a contribution of real property to be made to an approved  
 5 project operated by a nonprofit organization under the Neighborhood and  
 6 Community Assistance Program of the Department of Housing and Community  
 7 Development; specifying that an individual taxpayer or trust is entitled to a  
 8 certain tax credit for making a certain contribution; increasing a certain  
 9 maximum tax credit allowed for a certain contribution; ~~increasing the maximum~~  
 10 ~~amount of contributions eligible for a certain tax credit for a fiscal year;~~ and  
 11 generally relating to tax credits allowed for contributions to an approved project  
 12 under the Neighborhood and Community Assistance Program of the  
 13 Department of Housing and Community Development.

14 BY repealing and reenacting, with amendments,  
 15 Article - Housing and Community Development  
 16 Section 6-404 and ~~6-405(e)(3)~~  
 17 Annotated Code of Maryland  
 18 (As enacted by Chapter \_\_\_\_ (H.B. 11) of the Acts of the General Assembly of  
 19 2005)

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

**Article - Housing and Community Development**

1  
2 6-404.

3 (a) (1) For a contribution worth \$500 or more in goods, money, or [both]  
4 REAL PROPERTY to an approved project, a business entity, INDIVIDUAL TAXPAYER, OR  
5 TRUST is entitled to a tax credit in the amount determined under subsection (b) of this  
6 section.

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

9 (b) (1) Except as provided in paragraph (2) of this subsection, the credit  
10 allowed to a business entity, INDIVIDUAL TAXPAYER, OR TRUST under this section  
11 equals 50% of the amount of contributions:

12 (i) that the Department approves under subsection (c) of this  
13 section; and

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

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

18 (i) [\$125,000] \$250,000; and

19 (ii) the total amount of tax otherwise payable by the business  
20 entity, INDIVIDUAL TAXPAYER, OR TRUST for the taxable year.

21 (3) Any excess credit that would be allowed but for the limits of  
22 paragraph (2) of this subsection may be carried over and applied as a credit for up to  
23 5 taxable years after the taxable year in which the contribution was made, until the  
24 full amount of the excess is used.

25 (c) (1) To qualify for a credit for a contribution under this section, before  
26 making a contribution, a business entity, INDIVIDUAL TAXPAYER, OR TRUST shall  
27 apply for and receive approval of the contribution from the Department.

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

29 (i) the name of the approved project to which the contribution will  
30 be made;

31 (ii) the amount of the contribution; and

32 (iii) a certification by an independent and unrelated third party as  
33 to the value of any nonmonetary contribution included or, for new goods, an invoice or  
34 receipt certifying the contribution's net cost to the business entity, INDIVIDUAL  
35 TAXPAYER, OR TRUST.

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

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

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

8 (ii) the applicant has overstated the value of a nonmonetary  
9 contribution.

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

14 ~~6-405.~~

15 ~~(c) (3) The sum of contributions eligible for a tax credit under § 6-404 of this~~  
16 ~~subtitle for all approved projects for a fiscal year may not exceed [\$2,000,000]~~  
17 ~~\$7,000,000.~~

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2005.