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By: **Delegates Brown, Benson, Cardin, Conroy, D. Davis, Frush, Gaines, Griffith, Holmes, Howard, Hubbard, Kaiser, Kelley, King, Menes, Moe, Morhaim, Parker, Patterson, Ramirez, Ross, V. Turner, Vallario, Vaughn, and Zirkin**

Introduced and read first time: February 10, 2006

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Security Enhancements in**  
3 **Apartment Buildings**

4 FOR the purpose of providing certain subtraction modifications under the Maryland  
5 income tax for expenses paid for security enhancements in certain residential  
6 buildings; defining certain terms; providing for the application of this Act; and  
7 generally relating to income tax subtraction modifications for expenses paid for  
8 security enhancements in certain residential buildings.

9 BY repealing and reenacting, without amendments,  
10 Article - Public Safety  
11 Section 9-201(c)  
12 Annotated Code of Maryland  
13 (2003 Volume and 2005 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article - Tax - General  
16 Section 10-208(a)  
17 Annotated Code of Maryland  
18 (2004 Replacement Volume and 2005 Supplement)

19 BY adding to  
20 Article - Tax - General  
21 Section 10-208(q)  
22 Annotated Code of Maryland  
23 (2004 Replacement Volume and 2005 Supplement)

24 BY repealing and reenacting, with amendments,  
25 Article - Tax - General  
26 Section 10-308

1 Annotated Code of Maryland  
2 (2004 Replacement Volume and 2005 Supplement)

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

5 **Article - Public Safety**

6 9-201.

7 (c) "Dwelling unit" means a single unit that:

8 (1) provides complete, independent living facilities for one or more  
9 individuals; and

10 (2) contains permanent provisions for living, sleeping, eating, cooking,  
11 and sanitation.

12 **Article - Tax - General**

13 10-208.

14 (a) In addition to the modification under § 10-207 of this subtitle, the  
15 amounts under this section are subtracted from the federal adjusted gross income of  
16 a resident to determine Maryland adjusted gross income.

17 (Q) (1) (I) IN THIS SUBSECTION THE FOLLOWING TERMS HAVE THE  
18 MEANINGS INDICATED.

19 (II) "APARTMENT BUILDING" MEANS A MULTIFAMILY RESIDENTIAL  
20 BUILDING THAT CONTAINS FOUR OR MORE DWELLING UNITS.

21 (III) "DWELLING UNIT" HAS THE MEANING STATED IN § 9-201 OF  
22 THE PUBLIC SAFETY ARTICLE.

23 (IV) "SECURITY ENHANCEMENT" MEANS AN EXPENSE PAID FOR A  
24 ONE-TIME, NONRECURRING IMPROVEMENT FOR BUILDING SECURITY PURPOSES,  
25 INCLUDING ANY AMOUNT EXPENDED FOR ALARM SYSTEMS, CAMERAS, GATES,  
26 LIGHTING, AND LOCK AND KEY SYSTEMS.

27 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
28 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT  
29 EXPENDED BY THE TAXPAYER FOR SECURITY ENHANCEMENTS IN APARTMENT  
30 BUILDINGS FOR THE TAXABLE YEAR, NOT TO EXCEED \$500,000.

31 (3) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION MAY  
32 NOT INCLUDE ANY AMOUNT EXPENDED ON SECURITY ENHANCEMENTS IN ORDER TO  
33 MEET ANY APPLICABLE STATE OR LOCAL MINIMUM SECURITY STANDARD OR  
34 ORDINANCE.

1 10-308.

2 (a) In addition to the modification under § 10-307 of this subtitle, the  
3 amounts under this section are subtracted from the federal taxable income of a  
4 corporation to determine Maryland modified income.

5 (b) The subtraction under subsection (a) of this section includes the amounts  
6 allowed to be subtracted for an individual under:

7 (1) § 10-208(d) of this title (Conservation tillage equipment expenses);

8 (2) § 10-208(i) of this title (Reforestation or timber stand expenses);

9 (3) § 10-208(k) of this title (Wage expenses for targeted jobs);

10 (4) § 10-208(m) of this title (Poultry or livestock manure spreading  
11 equipment); [and]

12 (5) § 10-208(p) of this title (Elevator handrails in health care facilities);  
13 AND

14 (6) § 10-208(Q) OF THIS TITLE (SECURITY ENHANCEMENTS FOR  
15 APARTMENT BUILDINGS).

16 (c) In the case of a regulated investment company, the subtraction under  
17 subsection (a) of this section includes an amount equal to the exempt-interest  
18 dividends paid by the company that are attributable to amounts received by the  
19 company that are included in the addition modification for dividends and interest  
20 from state or local obligations of another state under § 10-305(d)(1) of this subtitle.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,  
23 2005.