
By: **Senators Lawlah, Currie, Giannetti, Jacobs, Kelley, Munson, Ruben,
and Teitelbaum**

Introduced and read first time: February 3, 2006

Assigned to: Budget and Taxation

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
27 Annotated Code of Maryland
28 (2004 Replacement Volume and 2005 Supplement)

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

3 **Article - Public Safety**

4 9-201.

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

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

8 (2) contains permanent provisions for living, sleeping, eating, cooking,
9 and sanitation.

10 **Article - Tax - General**

11 10-208.

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

15 (Q) (1) (I) IN THIS SUBSECTION THE FOLLOWING TERMS HAVE THE
16 MEANINGS INDICATED.

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

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

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

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

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