

# HOUSE BILL 976

Q3

71r2169  
CF 71r2290

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By: **Delegate Ross**

Introduced and read first time: February 9, 2007

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Qualified Homes**

3 FOR the purpose of providing certain individuals a credit against the State income tax  
4 in a certain amount for the purchase of certain owner–occupied residential real  
5 property; defining certain terms; providing for the carryforward of certain  
6 unused credit to certain taxable years; providing for the application of this Act;  
7 and generally relating to a tax credit for the purchase of certain homes.

8 BY adding to

9 Article – Tax – General

10 Section 10–726

11 Annotated Code of Maryland

12 (2004 Replacement Volume and 2006 Supplement)

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

15 **Article – Tax – General**

16 **10–726.**

17 (A) IN THIS SECTION, “QUALIFIED HOME” MEANS A DWELLING, AS  
18 DEFINED IN § 9–105 OF THE TAX – PROPERTY ARTICLE, THAT IS LOCATED IN A  
19 PRIORITY FUNDING AREA UNDER § 5–7B–02 OF THE STATE FINANCE AND  
20 PROCUREMENT ARTICLE.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL**  
2 **MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL**  
3 **TO \$5,000 FOR THE PURCHASE OF A QUALIFIED HOME DURING THE TAXABLE**  
4 **YEAR.**

5           **(C) IF THE CREDIT OTHERWISE ALLOWABLE UNDER THIS SECTION**  
6 **EXCEEDS THE STATE INCOME TAX OTHERWISE PAYABLE BY THE INDIVIDUAL**  
7 **FOR THE TAXABLE YEAR, AN INDIVIDUAL MAY APPLY THE EXCESS AS A CREDIT**  
8 **AGAINST THE STATE INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE**  
9 **EARLIER OF:**

10                   **(1) THE FULL AMOUNT OF THE EXCESS IS USED; OR**

11                   **(2) THE EXPIRATION OF THE 5TH TAXABLE YEAR AFTER THE**  
12 **TAXABLE YEAR IN WHICH THE QUALIFIED HOME WAS PURCHASED.**

13           **(D) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, FOR PURPOSES**  
14 **OF DETERMINING MARYLAND TAXABLE INCOME, THE BASIS OF PROPERTY WITH**  
15 **RESPECT TO WHICH THE CREDIT UNDER THIS SECTION IS ALLOWED SHALL BE**  
16 **ITS BASIS FOR FEDERAL INCOME TAX PURPOSES.**

17           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 July 1, 2007, and shall be applicable to all taxable years beginning after December 31,  
19 2006.