

HOUSE BILL 583

Q3
HB 1334/07 – W&M

8lr1595

By: **Delegates Sossi, Aumann, Boteler, Eckardt, Elliott, Frank, Glenn, Haddaway, Jennings, Kach, Niemann, Norman, Shewell, Stocksdale, Walkup, and Weir**

Introduced and read first time: January 31, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Visual Fire Alarm Systems**

3 FOR the purpose of providing for certain credits against the State income tax for
4 certain costs associated with the purchase and installation of certain visual fire
5 alarm systems in certain qualifying structures; limiting the tax credit to the
6 amount of a certain tax credit certificate issued by the Comptroller; limiting the
7 aggregate tax credit certificates that the Comptroller may issue for any taxable
8 year; defining certain terms; specifying certain standards to qualify for the tax
9 credit; providing for the application of this Act; and generally relating to a tax
10 credit against the State income tax for certain visual fire alarm systems.

11 BY adding to

12 Article – Tax – General

13 Section 10–726

14 Annotated Code of Maryland

15 (2004 Replacement Volume and 2007 Supplement)

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

18 **Article – Tax – General**

19 **10–726.**

20 (A) (1) IN THIS SECTION THE FOLLOWING TERMS HAVE THE
21 MEANINGS INDICATED.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) (I) **“QUALIFYING STRUCTURE” MEANS PROPERTY**
2 **CONTAINING DWELLING UNITS INTENDED TO BE LEASED TO PERSONS WHO**
3 **OCCUPY THE DWELLINGS AS THEIR RESIDENCES.**

4 (II) **“QUALIFYING STRUCTURE” DOES NOT INCLUDE A**
5 **SINGLE-FAMILY, OWNER-OCCUPIED STRUCTURE.**

6 (3) (I) **“VISUAL FIRE ALARM SYSTEM” MEANS AN ALARM**
7 **SIGNAL THAT IS PERMANENTLY CONNECTED TO THE WIRING OF THE**
8 **ELECTRICAL SYSTEM OF THE PREMISES AND INCLUDES:**

9 1. **A CLEAR OR NOMINAL WHITE XENON**
10 **STROBE-TYPE LAMP;**

11 2. **A MAXIMUM PULSE DURATION OF .2 SECONDS**
12 **WITH A MAXIMUM DUTY CYCLE OF 40%;**

13 3. **A MINIMUM INTENSITY OF 75 CANDELA;**

14 4. **A FLASH RATE BETWEEN 1 HZ AND 3 HZ;**

15 5. **A LOW OR DUAL FREQUENCY ALERTING SYSTEM;**
16 **AND**

17 6. **A VIBROTACTILE ALTERING SYSTEM.**

18 (II) **“VISUAL FIRE ALARM SYSTEM” DOES NOT INCLUDE A**
19 **PORTABLE SMOKE DETECTOR.**

20 (B) (1) **SUBJECT TO SUBSECTIONS (C) AND (D) OF THIS SECTION, AN**
21 **INDIVIDUAL OR CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE**
22 **INCOME TAX IN AN AMOUNT EQUAL TO THE LESSER OF:**

23 (I) **50% OF THE COST ASSOCIATED WITH THE**
24 **INSTALLATION OF A VISUAL FIRE ALARM SYSTEM IN A QUALIFYING STRUCTURE;**
25 **OR**

26 (II) **THE AMOUNT OF THE TAX CREDIT CERTIFICATE ISSUED**
27 **UNDER SUBSECTION (D) OF THIS SECTION.**

28 (2) **FOR ANY TAXABLE YEAR THE CREDIT ALLOWED UNDER THIS**
29 **SECTION MAY NOT EXCEED \$5,000 OR THE STATE INCOME TAX IMPOSED FOR**
30 **THE TAXABLE YEAR.**

1 **(3) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED**
2 **FORWARD TO ANY OTHER TAXABLE YEAR.**

3 **(C) TO QUALIFY FOR THE TAX CREDIT UNDER THIS SECTION:**

4 **(1) EACH VISUAL FIRE ALARM SYSTEM SIGNAL SHALL BE PLACED**
5 **A MINIMUM OF 80 INCHES ABOVE THE HIGHEST FLOOR LEVEL WITHIN THE UNIT**
6 **OR 6 INCHES BELOW THE CEILING; AND**

7 **(2) EACH COMMON CORRIDOR OR HALLWAY SHALL CONTAIN A**
8 **VISUAL FIRE ALARM SYSTEM SIGNAL.**

9 **(D) (1) BEFORE THE INSTALLATION OF A VISUAL FIRE ALARM**
10 **SYSTEM, AN INDIVIDUAL OR CORPORATION SHALL APPLY FOR A TAX CREDIT**
11 **CERTIFICATE FROM THE COMPTROLLER.**

12 **(2) WITH RESPECT TO ANY TAXABLE YEAR, THE COMPTROLLER**
13 **MAY NOT ISSUE IN THE AGGREGATE TAX CREDIT CERTIFICATES FOR MORE THAN**
14 **\$100,000.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,
17 2007.