

SENATE BILL 180

Q3

(7lr2016)

ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senators Peters, Currie, Feldman, Guzzone, King, and Manno**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Independent Living Tax Credit Act**

3 FOR the purpose of allowing an individual ~~or a corporation~~ a credit against the State
4 income tax for certain renovation ~~or construction~~ costs incurred during the taxable
5 year; requiring the ~~Department of Housing and Community Development~~
6 ~~Department of Disabilities~~ *Department of Housing and Community Development* to
7 administer the tax credit; providing that the credit may not exceed a certain amount;
8 providing that the credit may not be carried forward to another taxable year;
9 requiring an individual ~~or a corporation~~ to file a certain application before a certain
10 date and to file an amended return; providing for the maximum amount of tax credits
11 that may be issued by the Department each year; requiring the Department to certify
12 certain credits in a certain manner by a certain date; requiring the Department to
13 adopt certain regulations; defining certain terms; providing for the application of this
14 Act; and generally relating to an income tax credit for certain expenditures that
15 provide accessibility and visitability features to or within a home.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 BY adding to
 2 Article – Tax – General
 3 Section 10–741
 4 Annotated Code of Maryland
 5 ~~(2010 Replacement Volume and 2016 Supplement)~~
 6 (2016 Replacement Volume)

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

9 **Article – Tax – General**

10 **10–741.**

11 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 12 INDICATED.

13 (2) “ACCESSIBILITY AND UNIVERSAL VISITABILITY FEATURES”
 14 MEANS COMPONENTS OF RENOVATION TO AN EXISTING HOME ~~OR CONSTRUCTION~~
 15 ~~OF A NEW HOME~~ THAT IMPROVES ACCESS TO OR WITHIN THE HOME FOR
 16 INDIVIDUALS WITH DISABILITIES.

17 (3) “DEPARTMENT” MEANS THE ~~DEPARTMENT OF HOUSING AND~~
 18 ~~COMMUNITY DEVELOPMENT~~ DEPARTMENT OF DISABILITIES DEPARTMENT OF
 19 HOUSING AND COMMUNITY DEVELOPMENT.

20 (4) “DISABILITY” HAS THE MEANING STATED IN § 7–101 OF THE
 21 HUMAN SERVICES ARTICLE.

22 (5) “QUALIFIED EXPENSES” MEANS COSTS INCURRED TO INSTALL
 23 ACCESSIBILITY AND UNIVERSAL VISITABILITY FEATURES TO OR WITHIN A HOME.

24 (B) ~~(1)~~ SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL
 25 ~~OR A CORPORATION~~ MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN
 26 AMOUNT EQUAL TO 50% OF THE QUALIFIED EXPENSES INCURRED DURING THE
 27 TAXABLE YEAR TO RENOVATE AN EXISTING HOME ~~OR CONSTRUCT A NEW HOME~~ WITH
 28 ACCESSIBILITY AND UNIVERSAL VISITABILITY FEATURES.

29 ~~(2) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER~~
 30 ~~§ 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT~~
 31 ~~UNDER THIS SECTION AGAINST STATE INCOME TAX DUE ON UNRELATED BUSINESS~~
 32 ~~TAXABLE INCOME AS PROVIDED UNDER §§ 10–304 AND 10–812 OF THIS TITLE.~~

1 (C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
2 SECTION MAY NOT EXCEED THE LESSER OF:

3 (I) \$5,000; OR

4 (II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR
5 CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED UNDER THIS
6 SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE BUT AFTER THE
7 APPLICATION OF ANY OTHER CREDIT ALLOWED UNDER THIS SUBTITLE.

8 (2) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED
9 OVER TO ANY OTHER TAXABLE YEAR.

10 (D) (1) BY JUNE 1 OF THE CALENDAR YEAR FOLLOWING THE END OF THE
11 TAXABLE YEAR IN WHICH THE QUALIFIED EXPENSES WERE INCURRED, AN
12 INDIVIDUAL ~~OR A CORPORATION~~ SHALL SUBMIT AN APPLICATION TO THE
13 DEPARTMENT FOR THE CREDITS ALLOWED UNDER SUBSECTION (B) OF THIS
14 SECTION.

15 (2) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE
16 DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED
17 ~~\$2,000,000~~ \$1,000,000 FOR ANY CALENDAR YEAR.

18 (3) IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL
19 INDIVIDUALS ~~AND CORPORATIONS~~ UNDER SUBSECTION (B) OF THIS SECTION
20 EXCEEDS THE MAXIMUM SPECIFIED UNDER PARAGRAPH (2) OF THIS SUBSECTION,
21 THE DEPARTMENT SHALL APPROVE A CREDIT FOR EACH APPLICANT IN AN AMOUNT
22 EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE
23 APPLICANT TIMES A FRACTION:

24 (I) THE NUMERATOR OF WHICH IS THE MAXIMUM SPECIFIED
25 UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND

26 (II) THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL
27 CREDITS APPLIED FOR BY ALL APPLICANTS UNDER SUBSECTION (B) OF THIS
28 SECTION IN THE CALENDAR YEAR.

29 (4) BY AUGUST 1 OF THE CALENDAR YEAR FOLLOWING THE END OF
30 THE TAXABLE YEAR IN WHICH THE QUALIFIED EXPENSES WERE INCURRED, THE
31 DEPARTMENT SHALL CERTIFY TO THE INDIVIDUAL ~~OR CORPORATION~~ THE AMOUNT
32 OF TAX CREDITS APPROVED BY THE DEPARTMENT FOR THE INDIVIDUAL ~~OR~~
33 ~~CORPORATION~~ UNDER SUBSECTION (B) OF THIS SECTION.

1 **(5) TO CLAIM THE APPROVED CREDITS ALLOWED UNDER THIS**
2 **SECTION, AN INDIVIDUAL ~~OR A CORPORATION~~ SHALL:**

3 **(I) FILE AN AMENDED INCOME TAX RETURN FOR THE TAXABLE**
4 **YEAR IN WHICH THE QUALIFIED EXPENSES WERE INCURRED; AND**

5 **(II) ATTACH A COPY OF THE DEPARTMENT’S CERTIFICATION OF**
6 **THE APPROVED CREDIT AMOUNT TO THE AMENDED INCOME TAX RETURN.**

7 **(E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE**
8 **PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES FOR**
9 **APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX**
10 **CREDIT AUTHORIZED UNDER THIS SECTION.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2017.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.