

SENATE BILL 180

Q3
SB 819/16 – B&T

7lr2016
CF HB 644

By: **Senators Peters, Currie, Feldman, Guzzone, King, and Manno**

Introduced and read first time: January 18, 2017

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 21, 2017

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 to administer the tax credit; providing that the credit may
7 not exceed a certain amount; providing that the credit may not be carried forward to
8 another taxable year; requiring an individual ~~or a corporation~~ to file a certain
9 application before a certain date and to file an amended return; providing for the
10 maximum amount of tax credits that may be issued by the Department each year;
11 requiring the Department to certify certain credits in a certain manner by a certain
12 date; requiring the Department to adopt certain regulations; defining certain terms;
13 providing for the application of this Act; and generally relating to an income tax
14 credit for certain expenditures that provide accessibility and visitability features to
15 or within a home.

16 BY adding to
17 Article – Tax – General
18 Section 10–741
19 Annotated Code of Maryland
20 ~~(2010 Replacement Volume and 2016 Supplement)~~
21 (2016 Replacement Volume)

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

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.



1 Article – Tax – General

2 10-741.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

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

9 (3) “DEPARTMENT” MEANS THE ~~DEPARTMENT OF HOUSING AND~~
10 ~~COMMUNITY DEVELOPMENT~~ DEPARTMENT OF DISABILITIES.

11 (4) “DISABILITY” HAS THE MEANING STATED IN § 7-101 OF THE
12 HUMAN SERVICES ARTICLE.

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

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

20 ~~(2) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER~~
21 ~~§ 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT~~
22 ~~UNDER THIS SECTION AGAINST STATE INCOME TAX DUE ON UNRELATED BUSINESS~~
23 ~~TAXABLE INCOME AS PROVIDED UNDER §§ 10-304 AND 10-812 OF THIS TITLE.~~

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

26 (I) \$5,000; OR

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

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

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

8 (2) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE
9 DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED
10 ~~\$2,000,000~~ \$1,000,000 FOR ANY CALENDAR YEAR.

11 (3) IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL
12 INDIVIDUALS ~~AND CORPORATIONS~~ UNDER SUBSECTION (B) OF THIS SECTION
13 EXCEEDS THE MAXIMUM SPECIFIED UNDER PARAGRAPH (2) OF THIS SUBSECTION,
14 THE DEPARTMENT SHALL APPROVE A CREDIT FOR EACH APPLICANT IN AN AMOUNT
15 EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE
16 APPLICANT TIMES A FRACTION:

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

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

22 (4) BY AUGUST 1 OF THE CALENDAR YEAR FOLLOWING THE END OF
23 THE TAXABLE YEAR IN WHICH THE QUALIFIED EXPENSES WERE INCURRED, THE
24 DEPARTMENT SHALL CERTIFY TO THE INDIVIDUAL ~~OR CORPORATION~~ THE AMOUNT
25 OF TAX CREDITS APPROVED BY THE DEPARTMENT FOR THE INDIVIDUAL ~~OR~~
26 ~~CORPORATION~~ UNDER SUBSECTION (B) OF THIS SECTION.

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

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

31 (II) ATTACH A COPY OF THE DEPARTMENT'S CERTIFICATION OF
32 THE APPROVED CREDIT AMOUNT TO THE AMENDED INCOME TAX RETURN.

33 (E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE
34 PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES FOR

1 APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX
2 CREDIT AUTHORIZED UNDER THIS SECTION.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 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.