

HOUSE BILL 945

Q3
HB 1143/16 – W&M

9lr1295

By: **Delegates Adams, Long, and McComas**
Introduced and read first time: February 8, 2019
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – New Dwellings – Automatic Fire Sprinkler Systems**

3 FOR the purpose of allowing a certain owner of a certain new dwelling to claim a credit
4 against the State income tax in a certain amount if a certain sprinkler system is
5 installed in the new dwelling; limiting the tax credit to one record owner of a certain
6 new dwelling; requiring the individual eligible for the tax credit to submit a certain
7 application to the Office of the State Fire Marshal; requiring the Office to approve
8 applications for the credit on a first–come, first–served basis and to certify the
9 amount of the credit within a certain period of time; limiting the total amount of
10 credits that may be approved in a taxable year; providing that the amount of the
11 credit may not exceed the State income tax for that taxable year; authorizing a
12 certain individual to apply any excess amount of the credit against the State income
13 tax for succeeding taxable years; defining certain terms; providing for the application
14 of this Act; and generally relating to an income tax credit for new dwellings with
15 automatic fire sprinkler systems.

16 BY adding to
17 Article – Tax – General
18 Section 10–749
19 Annotated Code of Maryland
20 (2016 Replacement Volume and 2018 Supplement)

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

23 **Article – Tax – General**

24 **10–749.**

25 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 INDICATED.

2 (2) "NEW DWELLING" MEANS A SINGLE-FAMILY DWELLING:

3 (I) THAT IS CONSTRUCTED ON OR AFTER JANUARY 1, 2019;

4 AND

5 (II) IN WHICH THERE IS AN AUTOMATIC FIRE SPRINKLER
6 SYSTEM INSTALLED IN COMPLIANCE WITH THE MARYLAND BUILDING
7 PERFORMANCE STANDARDS.

8 (3) "OFFICE" MEANS THE OFFICE OF THE STATE FIRE MARSHAL IN
9 THE DEPARTMENT OF STATE POLICE.

10 (B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL
11 WHO IS THE RECORD OWNER OF A NEW DWELLING MAY CLAIM A CREDIT AGAINST
12 THE STATE INCOME TAX FOR THE TAXABLE YEAR IN WHICH THE INDIVIDUAL
13 BECOMES THE RECORD OWNER OF THE NEW DWELLING IN AN AMOUNT EQUAL TO
14 \$1.25 FOR EACH SQUARE FOOT OF THE NEW DWELLING.

15 (2) ONLY ONE RECORD OWNER FOR EACH NEW DWELLING MAY CLAIM
16 THE CREDIT ALLOWED UNDER THIS SECTION.

17 (C) (1) (I) AN INDIVIDUAL ELIGIBLE FOR THE TAX CREDIT UNDER
18 SUBSECTION (B) OF THIS SECTION SHALL SUBMIT AN APPLICATION FOR THE CREDIT
19 TO THE OFFICE.

20 (II) THE APPLICATION SHALL INCLUDE VERIFICATION THAT
21 THE INDIVIDUAL IS THE RECORD OWNER OF THE NEW DWELLING.

22 (2) THE OFFICE SHALL:

23 (I) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION,
24 APPROVE ALL APPLICATIONS THAT QUALIFY FOR A CREDIT UNDER THIS SECTION ON
25 A FIRST-COME, FIRST-SERVED BASIS; AND

26 (II) WITHIN 30 DAYS OF RECEIPT OF AN APPLICATION, CERTIFY
27 THE AMOUNT OF ANY APPROVED TAX CREDIT TO THE QUALIFIED APPLICANT.

28 (3) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE OFFICE MAY
29 NOT EXCEED \$1,000,000 IN ANY TAXABLE YEAR.

30 (D) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS

1 SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX
2 IMPOSED FOR THAT TAXABLE YEAR.

3 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION IN A TAXABLE
4 YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE INDIVIDUAL
5 CLAIMING THE CREDIT MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE
6 INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE
7 EXCESS IS USED.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2019, and shall be applicable to all taxable years beginning after December 31, 2018.