SENATE BILL 459

By: Senator Salling
Introduced and read first time: January 27, 2022
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 Income Tax Credit – Active Duty, Retired, and Honorably Discharged Military
   – Housing Expenses

4 FOR the purpose of allowing a credit against the State income tax for certain housing
5 expenses of certain active duty, retired, or honorably discharged military personnel;
6 providing for the carryforward of the unused credit; and generally relating to a credit
7 against the State income tax for housing expenses of active duty, retired, or
8 honorably discharged military homeowners.

9 BY adding to
10 Article – Tax – General
11 Section 10–754
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2021 Supplement)

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

16 Article – Tax – General

17 10–754.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (2) “Dwelling” has the meaning stated in § 9–105 of the Tax
21 – Property Article.

22 (3) “Taxpayer” means an active duty, retired, or honorably
23 discharged member of the uniformed services of the United States as

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

(B) Subject to the limitations of this section, a taxpayer may claim a credit against the State income tax in an amount equal to the lesser of:

1. The sum of:
   (I) 5% of the total initial amount of the taxpayer’s mortgage loan secured by a dwelling; and
   (II) 20% of the first installment paid by the taxpayer toward the mortgage loan described under item (I) of this paragraph; or

2. $100,000.

(C) A taxpayer may claim the credit under this section with respect to only one mortgage loan secured by a dwelling.

(D) (1) Except as provided in paragraph (2) of this subsection, a taxpayer may not claim the credit allowed under this section for more than 1 taxable year.

(2) If the credit allowed under this section exceeds the State income tax, any unused credit may be carried forward and applied for succeeding taxable years until the earlier of:

   (I) The date on which the full amount of the credit is used; or

   (II) The date of the expiration of the 3rd year after the taxable year for which the credit was allowed.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.