

HOUSE BILL 644

Q3
HB 371/16 – W&M

7lr0336
CF SB 180

By: **Delegates Luedtke, Barkley, Cullison, Ebersole, Fraser-Hidalgo, Gilchrist, Kelly, Korman, Kramer, Metzgar, Moon, Reznik, Robinson, Tarlau, A. Washington, and Wilkins**

Introduced and read first time: February 1, 2017
Assigned to: Ways and Means

A BILL ENTITLED

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

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

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

22 **Article – Tax – General**

23 **10–741.**

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



1 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
2 **INDICATED.**

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

7 **(3) “DEPARTMENT” MEANS THE DEPARTMENT OF HOUSING AND**
8 **COMMUNITY DEVELOPMENT.**

9 **(4) “QUALIFIED EXPENSES” MEANS COSTS INCURRED TO INSTALL**
10 **ACCESSIBILITY AND UNIVERSAL VISITABILITY FEATURES TO OR WITHIN A HOME.**

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

16 **(2) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER**
17 **§ 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT**
18 **UNDER THIS SECTION AGAINST STATE INCOME TAX DUE ON UNRELATED BUSINESS**
19 **TAXABLE INCOME AS PROVIDED UNDER §§ 10-304 AND 10-812 OF THIS TITLE.**

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

22 **(I) \$5,000; OR**

23 **(II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR**
24 **CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED UNDER THIS**
25 **SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE BUT AFTER THE**
26 **APPLICATION OF ANY OTHER CREDIT ALLOWED UNDER THIS SUBTITLE.**

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

29 **(D) (1) BY JUNE 1 OF THE CALENDAR YEAR FOLLOWING THE END OF THE**
30 **TAXABLE YEAR IN WHICH THE QUALIFIED EXPENSES WERE INCURRED, AN**
31 **INDIVIDUAL OR A CORPORATION SHALL SUBMIT AN APPLICATION TO THE**
32 **DEPARTMENT FOR THE CREDITS ALLOWED UNDER SUBSECTION (B) OF THIS**
33 **SECTION.**

1 **(2) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE**
2 **DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED**
3 **\$2,000,000 FOR ANY CALENDAR YEAR.**

4 **(3) IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL**
5 **INDIVIDUALS AND CORPORATIONS UNDER SUBSECTION (B) OF THIS SECTION**
6 **EXCEEDS THE MAXIMUM SPECIFIED UNDER PARAGRAPH (2) OF THIS SUBSECTION,**
7 **THE DEPARTMENT SHALL APPROVE A CREDIT FOR EACH APPLICANT IN AN AMOUNT**
8 **EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE**
9 **APPLICANT TIMES A FRACTION:**

10 **(I) THE NUMERATOR OF WHICH IS THE MAXIMUM SPECIFIED**
11 **UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND**

12 **(II) THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL**
13 **CREDITS APPLIED FOR BY ALL APPLICANTS UNDER SUBSECTION (B) OF THIS**
14 **SECTION IN THE CALENDAR YEAR.**

15 **(4) BY AUGUST 1 OF THE CALENDAR YEAR FOLLOWING THE END OF**
16 **THE TAXABLE YEAR IN WHICH THE QUALIFIED EXPENSES WERE INCURRED, THE**
17 **DEPARTMENT SHALL CERTIFY TO THE INDIVIDUAL OR CORPORATION THE AMOUNT**
18 **OF TAX CREDITS APPROVED BY THE DEPARTMENT FOR THE INDIVIDUAL OR**
19 **CORPORATION UNDER SUBSECTION (B) OF THIS SECTION.**

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

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

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

26 **(E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE**
27 **PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES FOR**
28 **APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX**
29 **CREDIT AUTHORIZED UNDER THIS SECTION.**

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