

# SENATE BILL 459

Q3

2lr1951

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By: **Senator Salling**

Introduced and read first time: January 27, 2022

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Active Duty, Retired, and Honorably Discharged Military**  
3 **– 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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **DEFINED IN 10 U.S.C. § 101, THE MILITARY RESERVES, OR THE NATIONAL GUARD.**

2 **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY**  
3 **CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO THE**  
4 **LESSER OF:**

5 **(1) THE SUM OF:**

6 **(I) 5% OF THE TOTAL INITIAL AMOUNT OF THE TAXPAYER'S**  
7 **MORTGAGE LOAN SECURED BY A DWELLING; AND**

8 **(II) 20% OF THE FIRST INSTALLMENT PAID BY THE TAXPAYER**  
9 **TOWARD THE MORTGAGE LOAN DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH;**  
10 **OR**

11 **(2) \$100,000.**

12 **(C) A TAXPAYER MAY CLAIM THE CREDIT UNDER THIS SECTION WITH**  
13 **RESPECT TO ONLY ONE MORTGAGE LOAN SECURED BY A DWELLING.**

14 **(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A**  
15 **TAXPAYER MAY NOT CLAIM THE CREDIT ALLOWED UNDER THIS SECTION FOR MORE**  
16 **THAN 1 TAXABLE YEAR.**

17 **(2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE**  
18 **STATE INCOME TAX, ANY UNUSED CREDIT MAY BE CARRIED FORWARD AND APPLIED**  
19 **FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:**

20 **(I) THE DATE ON WHICH THE FULL AMOUNT OF THE CREDIT IS**  
21 **USED; OR**

22 **(II) THE DATE OF THE EXPIRATION OF THE 3RD YEAR AFTER**  
23 **THE TAXABLE YEAR FOR WHICH THE CREDIT WAS ALLOWED.**

24 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**  
25 **1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.**