

HOUSE BILL 202

Q3

2lr1330

By: **Delegates Carr and Lehman**

Introduced and read first time: January 13, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Historic Revitalization Tax Credit – Substantial Rehabilitation – Threshold**
3 **Amount**

4 FOR the purpose of altering the definition of “substantial rehabilitation” for purposes of
5 eligibility for the historic revitalization tax credit program by reducing the threshold
6 amount for certain homeowners who receive the State homeowners’ property tax
7 credit during a certain period of time; and generally relating to the historic
8 revitalization tax credit program.

9 BY repealing and reenacting, without amendments,
10 Article – State Finance and Procurement
11 Section 5A–303(a)(1) and (29) and (c)(1)(i) and (2)(ii)
12 Annotated Code of Maryland
13 (2021 Replacement Volume)

14 BY repealing and reenacting, with amendments,
15 Article – State Finance and Procurement
16 Section 5A–303(a)(33)
17 Annotated Code of Maryland
18 (2021 Replacement Volume)

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

21 **Article – State Finance and Procurement**

22 5A–303.

23 (a) (1) In this section the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (29) (i) “Single-family, owner-occupied residence” means a structure or
 2 a portion of a structure occupied by the owner and the owner’s immediate family as their
 3 primary or secondary residence.

4 (ii) “Single-family, owner-occupied residence” includes:

5 1. a residential unit in a cooperative project owned by or
 6 leased to a cooperative housing corporation and leased for exclusive occupancy to, and
 7 occupied by, a member of the corporation and the member’s immediate family under a
 8 proprietary lease;

9 2. a structure that is described under paragraph (6)(i)5 of
 10 this subsection; and

11 3. a small commercial project.

12 (33) “Substantial rehabilitation” means rehabilitation of a structure for
 13 which the qualified rehabilitation expenditures, during the 24-month period selected by
 14 the individual or business entity ending with or within the taxable year, exceed:

15 (i) **1. FOR A SINGLE-FAMILY, OWNER-OCCUPIED**
 16 **RESIDENCE FOR WHICH THE HOMEOWNER WAS GRANTED A CREDIT IN ACCORDANCE**
 17 **WITH § 9-104 OF THE TAX – PROPERTY ARTICLE FOR ANY OF THE THREE TAXABLE**
 18 **YEARS IMMEDIATELY PRECEDING THE APPLICATION FOR A CREDIT UNDER THIS**
 19 **SECTION, \$2,500; OR**

20 **2. for ANY OTHER single-family, owner-occupied residential**
 21 **property, \$5,000; or**

22 (ii) for all other property, the greater of:

23 1. the adjusted basis of the structure; or

24 2. \$25,000.

25 (c) (1) (i) Except as otherwise provided in this section, for the taxable year
 26 in which a certified rehabilitation is completed, an individual or business entity may claim
 27 a tax credit in an amount equal to 20% of the individual’s or business entity’s qualified
 28 rehabilitation expenditures for the rehabilitation.

29 (2) (ii) For a rehabilitation other than a commercial rehabilitation, the
 30 State tax credit allowed under this section may not exceed:

31 1. \$50,000 for a rehabilitation other than a Level 1 or Level
 32 2 opportunity zone project;

