MARYLAND FORM **502CR**

# INCOME TAX CREDITS FOR INDIVIDUALS

Attach to your tax return.

14502C049

**2014**

Print Using Blue or Black Ink

| Social Security Number | | Spouse's Social Security Number |
|---|---|---|
| Your first name | Initial | Last name |
| Spouse's first name | Initial | Last name |

**Read Instructions for Form 502CR. Note: You must complete and submit pages 1 through 3 of this form to receive credit for the items listed.**

## PART A - TAX CREDITS FOR INCOME TAXES PAID TO OTHER STATES

**If you were a part-year resident, you may not claim a credit for tax paid on nonresident income you subtracted on line 12 of Form 502.**

**If you are claiming a credit for taxes paid to more than one state, see instructions.**

1. Enter your taxable net income from line 20, Form 502 (or Line 22, Form 504) . . . . . **1.**
2. Taxable net income in other state. Write on this line only the net income which is taxable in both the other state and Maryland. If you are taxed in the other state on income which is not taxable in Maryland, do not include that amount here. . . . . **2.**
   **NOTE:** When the tax in the other state is a percentage of a tax based on your total income regardless of source, you must apply the same percentage to your taxable income in the other state to determine the income taxable in both states.
3. Revised taxable net income (Subtract line 2 from line 1.) If less than zero, enter zero. . . . . **3.**
4. Enter the Maryland tax from line 22, Form 502 (or Line 23, Form 504). This is the Maryland tax based on your total income for the year . . . . . **4.**
5. Tax on amount on line 3. Compute the Maryland tax that would be due on the revised taxable net income by using the Maryland Tax Table or Computation Worksheet contained in the instructions for Forms 502 or 504. **Do not include the local income tax.** . . . . . **5.**
6. Tentative tax credit (Subtract line 5 from line 4.) If less than zero, enter zero. . . . . **6.**
7. State tax shown on the tax return filed with the state of (Enter 2-letter state code, code must be entered for credit to be allowed) ▶ ____ Enter the amount of your 2014 income tax liability (after deducting any credits for personal exemptions) to a state other than Maryland. Do not enter state tax withheld from your W-2 forms. **It is important that a copy of the tax return that was filed with the other state be attached to your Maryland return.** . . . . . **7.**
8. Credit for income tax paid to other state. Your credit for taxes paid to another state is the smaller of the tax actually paid (line 7) or the reduction in Maryland tax resulting from the exclusion of income in the other state (line 6). Write the smaller of line 6 or line 7 here and on Part H, line 1, page 3 . . . . . ▶ **8.**

## PART B - CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

1. Enter your federal adjusted gross income from line 1 of Form 502 or line 17, column 1 of Form 505 or Form 515 . . . . . **1.**
2. Enter your federal Child and Dependent Care Credit from federal Form 2441 . . . . . **2.**
3. Enter the decimal amount from the chart in the instructions that applies to the amount on line 1 . . . . . **3.** .
4. Multiply line 2 by line 3. Enter here and on Part H, line 2, page 3 . . . . . ▶ **4.**

## PART C - QUALITY TEACHER INCENTIVE CREDIT

| | Taxpayer A | Taxpayer B |
|---|---|---|
| 1. Enter the Maryland public school system or a State or local correctional facility or qualified juvenile facility in which you are employed and teach . . . . . | 1. Name of Qualified Employer | 1. Name of Qualified Employer |
| 2. Enter amount of tuition paid to: ____ Name of Institution(s) . . . . . | 2. | 2. |
| 3. Enter amount of tuition reimbursement . . . . . | 3. | 3. |
| 4. Subtract line 3 from line 2 . . . . . | 4. | 4. |
| 5. Maximum credit. . . . . | 5. 1500 00 | 5. 1500 00 |
| 6. Enter the lesser of line 4 or line 5 here. . . . . | 6. | 6. |

7. Total (Add amounts from line 6, for Taxpayers A and B) Enter here and on Part H, line 3, page 3. ▶ **7.**

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**INCOME TAX CREDITS FOR INDIVIDUALS**
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14502C149

NAME _____ SSN _____

## PART D - CREDIT FOR AQUACULTURE OYSTER FLOATS

**1.** Enter the amount paid to purchase an aquaculture oyster float(s)
Enter here and on Part H, line 4, page 3. This credit is limited. See Instructions. . . . . ▶ **1.** _____

## PART E - LONG-TERM CARE INSURANCE CREDIT: (THIS IS A ONE-TIME CREDIT.)

Answer the questions and see instructions below before completing Columns A through E for each person for whom you paid long-term care insurance premiums.

**Question 1 -** Did the insured individual have long-term care insurance prior to July 1, 2000? . . . . . ☐ Yes ☐ No
**Question 2 -** Is the credit being claimed for the insured individual in this year by any other taxpayer?. . . . . ☐ Yes ☐ No
**Question 3 -** Has credit been claimed **by anyone** for the insured individual in any other tax year? . . . . . ☐ Yes ☐ No
**Question 4 -** Is the insured individual for whom the credit is being claimed a nonresident of Maryland? . . . . . ☐ Yes ☐ No
**If you answered YES to any of the above questions, that insured person does NOT qualify for the credit.**

Complete Columns A through D only for insured individuals who qualify for credit. Enter in Column E the lesser of the amount of premium paid for each insured person or:

- $370 for those insured who are 40 or less, as of 12/31/14
- $500 for those insured who are over age 40, as of 12/31/14.

Add the amounts in Column E and enter the total on line 5 (total) and on Part H, line 5, page 3.

| **Column A** Name of Qualifying Insured Individual | **Age** | **Column B** Social Security No. of Insured | **Column C** Relationship to Taxpayer | **Column D** Amount of Premium Paid | **Column E** Credit Amount |
|---|---|---|---|---|---|
| 1. | ▶ | ▶ | | ▶ | 1. |
| 2. | ▶ | ▶ | | ▶ | 2. |
| 3. | ▶ | ▶ | | ▶ | 3. |
| 4. | ▶ | ▶ | | ▶ | 4. |
| 5. TOTAL | | | | | 5. |

## PART F - CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS

| | | **Taxpayer A** | | **Taxpayer B** |
|---|---|---|---|---|
| **1.** Enter the portion of the total current-year donation amount, and any carryover from prior year(s), attributable to each taxpayer . . . . . | **1.** | _____ | **1.** | _____ |
| **2.** Enter the amount of any payment received for the easement by each taxpayer during 2014. . . . . | **2.** | _____ | **2.** | _____ |
| **3.** Subtract line 2 from line 1. . . . . | **3.** | _____ | **3.** | _____ |
| **4.** Enter the amount from line 22 of Form 502; line 32c of Form 505; line 33 of Form 515; line 23 of Form 504 or $5,000, whichever is less. See instructions . | **4.** | _____ | **4.** | _____ |
| **5.** Enter the lesser of line 3 or 4 here. (If you itemize deductions, see Instruction 14.). . | **5.** | _____ | **5.** | _____ |
| **6.** Total (Add amounts from line 5 for Taxpayers A and B.). Enter here and on Part H, line 6, page 3 . . . . . ▶ | **6.** | _____ | | |
| **7.** Excess credit carryover. Subtract line 6 from the sum of lines 3A and 3B. . . . . | **7.** | _____ | | |

## PART G - HEALTH ENTERPRISE ZONE PRACTITIONER TAX CREDIT ** MUST ATTACH REQUIRED CERTIFICATION

**1.** Credit (certified by the Department of Health and Mental Hygiene). Enter here and on Part H, line 7, page 3 . . . . . ▶ **1.** _____

MARYLAND FORM
# 502CR
2014

**INCOME TAX CREDITS FOR INDIVIDUALS**
Attach to your tax return.

14502C249

NAME _____ SSN _____

## PART H - INCOME TAX CREDIT SUMMARY

1. Enter the amount from Part A, line 8 (If more than one state, see Instructions.) . . . . . 1. _____
2. Enter the amount from Part B, line 4 . . . . . 2. _____
3. Enter the amount from Part C, line 7 . . . . . 3. _____
4. Enter the amount from Part D, line 1 . . . . . 4. _____
5. Enter the amount from Part E, line 5 . . . . . 5. _____
6. Enter the amount from Part F, line 6. . . . . 6. _____
7. Enter the amount from Part G, line 1 . . . . . 7. _____
8. Total (Add lines 1 through 7.) Enter this amount on line 25 of Form 502; line 32 of Form 504; line 35 of Form 505 or line 36 of Form 515 . . . . . 8. _____

## PART I - REFUNDABLE INCOME TAX CREDITS

1. Neighborhood Stabilization Credit. Enter the amount and attach certification. . . . . ▶ 1. _____
2. Sustainable Communities Tax Credit (See Instructions for Form 502S). Attach certification(s). . . . . ▶ 2. _____
3. Refundable Business Income Tax Credit (See Instructions for Form 500CR.) . . . . . **You must file your return electronically to claim a business income tax credit.**
4. IRC Section 1341 Repayment Credit. (See Instructions and Administrative Release 40.) Attach documentation. ▶ 4. _____
5. Flow-through Nonresident PTE tax (See Instructions for required attachments.) . . . . . ▶ 5. _____
6. Total. (Add lines 1 through 5.) Enter this amount on line 42 of Form 502, line 47 of Form 505 or line 54 of Form 515. . . . . 6. _____

MARYLAND FORM
# 502CR
2014

# INCOME TAX CREDITS FOR INDIVIDUALS INSTRUCTIONS



## GENERAL INSTRUCTIONS

**Purpose of Form.** Form 502CR is used to claim personal income tax credits for individuals (including resident fiduciaries).

You may report the following tax credits on this form: the Credit for Income Taxes Paid to Other States, Credit for Child and Dependent Care Expenses, Quality Teacher Incentive Credit, Long-Term Care Insurance Credit, Credit for Preservation and Conservation Easements, Credit for Aquaculture Oyster Floats, the Health Enterprise Zone Practitioner Income Tax Credit, Sustainable Communities Tax Credit, the Neighborhood Stabilization Credit, Flow-Through Nonresident PTE Tax and IRC Section 1341 Repayment Credit. You must file Form 500CR electronically to claim a business income tax credit.

The Neighborhood Stabilization Credit, the Sustainable Communities Tax Credit and/or certain business tax credits from Form 500CR and the IRC Section 1341 Repayment Credit are refundable. All of the other credits may not exceed the state income tax.

Excess credit for preservation and conservation easements may be carried forward to the next tax year. Excess amounts of the other credits cannot be carried forward. **Note: Resident fiduciaries may use Form 502CR to claim only a credit for income taxes paid to other states or a Credit for Preservation and Conservation Easements.**

**Name and Other Information.** Type or print the name(s) as shown on Form 502, Form 505, Form 515 or Form 504 in the designated area. Enter the Social Security Number for each taxpayer.

**When and Where to File.** Form 502CR must be attached to the annual return (Form 502, 504, 505 or 515) and filed with the **Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411-0001.**

## PART A - CREDIT FOR INCOME TAXES PAID TO OTHER STATES

If you are a Maryland resident (including a resident fiduciary) and you paid income tax to another state, you may be eligible for a credit on your Maryland return. Nonresidents (filing Form 505, 515 or 504) are not eligible for this credit.

Find the state to which you paid a nonresident tax in one of the following groups. The instructions for that group will tell you if you are eligible for credit and should complete Part A of Form 502CR. You must file your Maryland income tax return on Form 502 and complete lines 1 through 22 of that form, or on Form 504 and complete lines 1 through 23. Then complete Form 502CR Parts A and H and attach to Form 502 or 504.

A completed, signed copy of the income tax return filed in the other state must also be attached to Form 502 or 504.

**CAUTION:** Do not use the income or withholding tax reported on the wage and tax statement (W-2 form) issued by your employer for the credit computation. Use the taxable income and the income tax calculated on the return you filed with the other state.

If you are claiming credit for taxes paid to more than one state, a separate Form 502CR must be completed for each state. Total the amount from each Form 502CR, Part A, line 8. Using only one summary section, record the total on Part H, line 1. Credit cannot be allowed for the local portion of the tax calculated on the return of the other state or on the Maryland return (line 29 of Form 502).

**GROUP I** - Nonreciprocal - Credit is taken on the Maryland resident return.

Alabama - AL
Arizona - AZ
Arkansas - AR
California - CA
Colorado - CO
Connecticut - CT
Delaware - DE
Georgia - GA
Hawaii - HI
Idaho - ID
Illinois - IL
Indiana - IN
Iowa - IA
Kansas - KS
Kentucky - KY
Louisiana - LA
Maine - ME
Massachusetts - MA
Michigan - MI
Minnesota - MN
Mississippi - MS
Missouri - MO
Montana - MT
Nebraska - NE
New Hampshire - NH
New Jersey - NJ
New Mexico - NM
New York - NY
North Carolina - NC
North Dakota - ND
Ohio - OH
Oklahoma - OK
Oregon - OR
Pennsylvania - PA (except wage income)
Rhode Island - RI
South Carolina - SC
Tennessee - TN
Texas - TX
Utah - UT
Vermont - VT
Virginia - VA (except wage income)
Washington, DC - DC (except wage income)
West Virginia - WV (except wage income)
Wisconsin - WI
Territories and Possessions of the United States
American Samoa - AS
Guam - GU
Northern Mariana Island - MP
Puerto Rico - PR
U.S. Virgin Islands - VI

A Maryland resident (including a resident fiduciary) having income from one of these states must report the income on the Maryland return Form 502 or 504. To claim a credit for taxes paid to the other state, complete Form 502CR and attach it and a copy of the other state's nonresident income tax return (not just your W-2 Form) to your Maryland return.

**GROUP II** - Reciprocal for wages, salaries, tips and commission income only.

Pennsylvania - PA
Virginia - VA
Washington, DC - DC
West Virginia - WV

Maryland has a reciprocal agreement with the states included in Group II. The agreement applies only to wages, salaries, tips and commissions. It does not apply to business income, farm income, rental income, gain from the sale of tangible property, etc. If you had such income subject to tax in these states, complete Form 502CR and attach it and a copy of the other state's nonresident income tax return (not just your W-2 Form) to your Maryland return.

If you had wages, plus income other than wages from a state listed in Group II, you should contact the taxing authorities in the other state to determine the proper method for filing the nonresident return.

**GROUP III** - No state income tax - No credit allowed.

Alaska - AK
Florida - FL
Nevada - NV
South Dakota - SD
Washington - WA
Wyoming - WY

You must report income from these states on your Maryland resident return. You cannot claim any credit for income earned in these states because you did not pay any income tax to the other state.

## PART A – IMPORTANT NOTE FOR DUAL RESIDENTS

A person may be a resident of more than one state at the same time for income tax purposes. If you must file a resident return with both Maryland and another state, use the following rules to determine where the credit should be taken:

1. A person who is domiciled in Maryland and who is subject to tax as a resident of any of the states listed in Group I or II can claim a credit on the Maryland return (Form 502) using Part A of Form 502CR.
2. A person domiciled in any state listed in Group I or II who must file a resident return with Maryland must take the credit in the state of domicile.

## PART A – SPECIAL INSTRUCTIONS

**Members of Pass-through Entities** - When a partnership, S corporation, limited liability company (LLC) or business trust files a composite return on behalf of its partners, shareholders or members with states in Groups I and II, Maryland resident partners, shareholders or members may claim a credit for their share of the tax paid. Attach a copy of the composite return filed with each of the other states. In lieu of the composite return, attach a statement(s) from the pass-through entity showing your share of the total income, your share of the taxable net income and your share of the tax liability in each of the other states. Complete a separate Form 502CR Part A for each state, entering your share of the taxable net income on line 2 and your share of the tax liability on line 7. Do not enter the amount of tax withheld on your behalf as shown on the Maryland Schedule K-1 or other statement issued to you by the pass-through entity. Total the amount from each Form 502CR, Part A, line 8. Using only one summary section, record the total on Part H, line 1. No credit is allowed for local taxes paid.

If the Maryland resident must file an individual nonresident return reporting the partnership, S corporation, LLC or business trust income, a separate Form 502CR must be completed for each state and submitted with a copy of the return filed with the other state.

For both composite returns and individual returns, no credit is available for taxes paid to states in Group III, or for taxes paid to cities or local jurisdictions.

**Shareholders of S Corporations** - Maryland resident shareholders can claim a credit for taxes paid by an S corporation to a state which does not recognize federal S corporation treatment. A copy of the corporation return filed in the other state is required to be attached to the Maryland return. A separate Form 502CR should be completed for each state showing the following information:

| | | |
|---|---|---|
| _____% | x _____ | = _____ |
| Stock ownership percentage | Corporation taxable income | Line 2, Part A, Form 502CR |
| _____% | x _____ | = _____ |
| Stock ownership percentage | Corporation tax | Line 7, Part A, Form 502CR |

**NOTE:** A preliminary calculation using Form 502 must be made before calculating the credit on Form 502CR. Complete lines 1 through 22 on Form 502 to determine the amounts to be used for the 502CR computation.

The credit amount shown on line 8 of Part A, Form 502CR then must be included as an addition to income on line 5 of the Form 502 you will file.

**D.C. Unincorporated Business Franchise Tax** - Self-employed individuals and partners in a partnership who are subject to D.C. unincorporated business franchise tax may claim a credit on Form 502CR. A copy of the D.C. return is required for self-employed individuals and for partners, a K-1 or other statement from the partnership showing the partner's share of income and the partner's share of the D.C. tax.

**Installment Sales in Another State** - You may be eligible for credit for taxes paid to another state for gain recognized on installment, sales proceeds, even if the other state required the total be recognized in an earlier tax year. Credit is allowed against the state income tax only. The gain must have been deferred for federal tax purposes, but fully taxed in the year of the sale by another state that does not recognize the deferral. The credit allowed is the amount of the gain taxed in Maryland in the current year multiplied by the lesser of:

- the highest state tax rate used on your Maryland tax return

OR

- the tax rate imposed by the other state on the gain.

## PART B - CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

If you are eligible for a Child and Dependent Care Credit on your federal income tax return, Form 1040 or 1040A for tax year 2014, you may be entitled to a credit on your Maryland state income tax return. The credit starts at 32.5% of the federal credit allowed, but is phased out for taxpayers with federal adjusted gross incomes above $41,000 ($20,500 for individuals who are married, but file separate income tax returns). No credit is allowed for an individual whose federal adjusted gross income exceeds $50,000 ($25,000 for married filing separately). Use the chart below to determine the decimal amount to be entered on line 3 of Part B.

## PART C - QUALITY TEACHER INCENTIVE CREDIT

If you are a qualified teacher, you may be able to claim a credit against your State tax liability for tuition paid to take graduate-level courses required to maintain certification. This credit applies to individuals who:

**CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES CHART**

| If your filing status is Married Filing Separately and your federal adjusted gross income is: | | Decimal Amount | For all other filing statuses, if your federal adjusted gross income is: | |
|---|---|---|---|---|
| **At Least** | **But less than** | | **At least** | **But less than** |
| **$0-** | **$20,501** | **.3250** | **$0** | **$41,001** |
| $20,501 | $21,001 | .2925 | $41,001 | $42,001 |
| $21,001 | $21,501 | .2600 | $42,001 | $43,001 |
| $21,501 | $22,001 | .2275 | $43,001 | $44,001 |
| $22,001 | $22,501 | .1950 | $44,001 | $45,001 |
| $22,501 | $23,001 | .1625 | $45,001 | $46,001 |
| $23,001 | $23,501 | .1300 | $46,001 | $47,001 |
| $23,501 | $24,001 | .0975 | $47,001 | $48,001 |
| $24,001 | $24,501 | .0650 | $48,001 | $49,001 |
| $24,501 | $25,001 | .0325 | $49,001 | $50,001 |
| $25,001 | or over | .0000 | $50,001 | or over |

a. Currently hold a standard professional certificate or advanced professional certificate;

b. Are employed by a county/city board of education in Maryland, a state or local correctional facility, or a juvenile correctional facility as listed below in the note;

c. Teach in a public school or qualified facility and receive a satisfactory performance;

d. Successfully complete the courses with a grade of B or better; and

e. Have not been fully reimbursed by the state/county/city for these expenses.

Only the unreimbursed portion qualifies for the credit.

Each spouse that qualifies may claim this credit. Complete a separate column in the worksheet for each spouse.

**NOTE:** Qualified juvenile facilities are: the Alfred D. Noyes Children's Center; the Baltimore City Juvenile Justice Center; the Charles H. Hickey, Jr. School; the Cheltenham Youth Facility; the J. DeWeese Carter Center; the Lower Eastern Shore Children's Center; the Thomas J. S. Waxter Children's Center; the Victor Cullen Center; the Western Maryland Children's Center; and the youth centers.

**INSTRUCTIONS**

**Line 1** Enter the name of the Maryland public school system or State or local correctional facility or qualified juvenile facility in which you are employed and teach.

**Line 2** Enter the amount of tuition paid for graduate-level courses for each qualifying teacher and the name of the institution(s) to which it was paid.

**Line 3** Enter the amount received as a reimbursement for tuition from your employer.

**Line 5** The maximum amount of credit allowed is $1,500 for each qualifying individual.

**Line 6** The credit is limited to the amount paid less any reimbursement up to the maximum amount allowed for each qualifying individual. Enter the lesser of line 4 or line 5.

**Line 7** Enter the total of line 6, for Taxpayers A and B. Also enter this amount on Part H, line 3.

**PART D - CREDIT FOR AQUACULTURE OYSTER FLOATS**

A credit is allowed for 100% of the amounts paid to purchase new aquaculture oyster floats that are designed to grow oysters at or under an individual homeowner's pier. The devices must be buoyant and assist in the growth of oysters for the width of the pier. In the case of a joint return, each spouse is entitled to claim the credit, provided each spouse purchases or contributes to the purchase of a float. The credit amount is limited to the lesser of the individual's state tax liability for that year or the maximum allowable credit of $500. In the case of a joint return, each spouse must calculate his/her own state tax liability for limitation purposes.

**PART E - LONG-TERM CARE INSURANCE CREDIT**

A **one-time credit** may be claimed against the state income tax for the payment of qualified long-term care (LTC) insurance premiums as defined by the IRS (Publication 502) for a policy to insure yourself, or your spouse, parent, stepparent, child or stepchild, who is a resident of Maryland.

A credit may not be claimed if:

a. The insured was covered by LTC insurance prior to July 1, 2000;

b. The credit for the insured is being claimed in this year by another taxpayer;

c. The credit is being or has been claimed by anyone in any other tax year; or

d. The insured is a nonresident of Maryland.

The credit is equal to the LTC premiums paid with a maximum per insured of:

| Amount | Age of Insured as of 12/31/14 |
|---|---|
| $370 | 40 or less |
| $500 | over 40 years |

**SPECIFIC INSTRUCTIONS**

- Answer Questions 1 through 4. If you answered "yes" for any of the questions, no credit is allowed for that individual.
- Complete Columns A through D of the worksheet for each qualifying insured individual who qualifies for the credit. If more space is required, attach a separate statement.
- Enter in Column E the amount of premiums paid for each qualifying insured individual up to the maximum for that age group.
- Add the amounts in Column E and enter the total on line 5. Also enter this amount on Part H, line 5.

**PART F - CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS**

If you donated an easement to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds or historic properties, you may be eligible for a credit if:

1. the easement is perpetual;
2. the easement is accepted and approved by the Board of Public Works and
3. the fair market value of the property before and after the conveyance of the easement is substantiated by a certified real estate appraiser.

The credit is equal to the difference in the fair market values of the property reduced by payments received for the easement.

If the property is owned jointly by more than one individual, such as a married couple, **each individual owner is entitled to the credit based on their percentage of ownership**. Individual members of a pass-through entity are not eligible for this credit. The credit amount is limited to the lesser of the individual's state tax liability for that year or the maximum allowable credit of $5,000, per owner, who qualifies to claim the credit. Complete a separate column in the worksheet for each spouse. **In the case of a joint return,** each spouse must calculate their own state tax liability for limitation purposes. Use the rules for filing separate returns in Instruction 8 in the Resident booklet to calculate each spouse's Maryland tax. In the case of a fiduciary return, the fiduciary will complete the column for Taxpayer B only.

If the individual's allowable credit amount exceeds the maximum of $5,000, the excess may be carried forward for up to 15 years or until fully used. Complete lines 1-7 of Part F. If you itemize deductions, see Instruction 14 in the Resident booklet.

For line 1, enter the amount by which the fair market value of the property before the conveyance of the easement exceeds the fair market value after the conveyance as substantiated by a certified real estate appraiser, plus any carryover from the prior year.

The carryover amount can be found on Part F line 7 of Form 502CR for tax year 2013.

For additional information, contact the Maryland Environmental Trust at 410-514-7900, **www.dnr.state.md.us/met**, or the Maryland Agricultural Land Preservation Foundation at 410-841-5860.

**PART G – HEALTH ENTERPRISE ZONE PRACTITIONER INCOME TAX CREDIT**

If you are a qualified "Health Enterprise Zone (HEZ) Practitioner," you may be able to claim a credit against your State tax liability for income that you earned for practicing health care in a HEZ. To apply for certification, you must be a health care practitioner who is licensed or certified under the Maryland Health Occupations Article, and who provides:

1. Primary care, including obstetrics, gynecological services, pediatric services, or geriatric services;
2. Behavioral health services, including mental health or alcohol and substance abuse services; or
3. Dental services.

To be eligible to claim this tax credit, you must:

1. Be a HEZ practitioner who practices health care in a HEZ;
2. Demonstrate competency in cultural, linguistic, and health literacy in a manner determined by the Maryland Department of Health and Mental Hygiene (DHMH);
3. Accept and provide care for patients enrolled in the Maryland Medical Assistance Program and for uninsured patients; and
4. Meet any other criteria required by DHMH to be certified for this credit.

Eligibility for this tax credit is limited to funds budgeted. Applicants seeking certification will be approved on a first-come, first-served basis. To become certified, the HEZ practitioner may apply to the non-profit community organization or local government approved by DHMH. Go to DHMH website at: **dhmh.maryland.gov** for more information.

**INSTRUCTIONS**

**Line 1** Enter on line 1 the amount of the tax credit certified by DHMH. This amount is also entered on Part H, line 7.

This credit is limited to the State tax. There is no carryover to another year. No credits may be earned for any tax year beginning on or after January 1, 2017. The credit may only be claimed on an **amended** Maryland income tax return.

If you have hired qualified employees to work in a HEZ, you may be entitled to a HEZ Hiring Tax Credit. This credit is computed on Maryland Business Tax Credit Form 500CR and requires DHMH certification. The credit may only be claimed on an electronically filed **amended** Maryland income tax return. You may download instructions from our Web site at **www.marylandtaxes.com.**

**PART H - INCOME TAX CREDIT SUMMARY**

This part is to summarize Parts A through G. If the total from Part H, line 8 exceeds the state tax, the excess will not be refunded.

**PART I - REFUNDABLE INCOME TAX CREDITS**

**Line 1 NEIGHBORHOOD STABILIZATION CREDIT**

If you live in the Hillendale, Northbrook, Pelham Woods or Taylor/Dartmouth areas of Baltimore County, you may qualify for this credit. Credit for homes purchased in Baltimore County must have been applied for by December 31, 2005.

After certification by Baltimore County, you may claim an income tax credit equal to the property tax credit granted by Baltimore County. Enter the amount on Part I, line 1 and attach a copy of the certification.

**Line 2 SUSTAINABLE COMMUNITIES TAX CREDIT**

See instructions for Form 502S.

**Line 3 REFUNDABLE BUSINESS INCOME TAX CREDITS**

**NOTE: You must file your income tax return electronically to claim any of the refundable credits listed below:**

See Business Tax Credit Form 500CR Instructions NEW for qualifications for the One Maryland Economic Development Tax Credit, the Biotechnology Investment Incentive Tax Credit, **the Cybersecurity Investment Incentive Tax Credit**, the Health Enterprise Zone Hiring Credit, the Small Business Research & Development Tax Credit, the Clean Energy Incentive Tax Credit and the Film Production Activity Tax Credit. You may download instructions from our Web site at **www.marylandtaxes.com.**

**Line 4 IRC SECTION 1341 REPAYMENT CREDIT**

If you repaid an amount this year reported as income on a prior year federal return that was greater than $3,000, you may be eligible for an IRC Section 1341 Repayment credit. Attach documentation. For additional information, see Administrative Release 40.

**Line 5 FLOW-THROUGH NONRESIDENT PTE TAX**

If you are the beneficiary of a trust or a Qualified Subchapter S Trust for which nonresident PTE tax was paid, you may be entitled to a credit for your share of that tax. Enter the amount on this line and attach both the Form 504 Schedule K-1 for the trust and a copy of the Form 510 Schedule K-1 issued to the trust by the PTE.

If you are a member of a PTE for which nonresident tax was paid, you may be entitled to a credit for your share of that tax. Enter the amount on this line and attach Form 510 Schedule K-1 issued to you and to the partnership, limited liability company, or S Corporation, by the PTE.

**Line 6** Add lines 1 through 5. Enter the total on the appropriate line of the income tax form being filed.