



MARYLAND
FORM
502S

**SUSTAINABLE COMMUNITIES
TAX CREDIT**



13502Z049

2013

Attachment
Sequence
No. **24**

Name of taxpayer(s)	Taxpayer Identification Number
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☐ Check here if this credit is derived from an entity other than that shown above.
Enter the entity's Federal Employer Identification Number. If from more than one entity, attach schedule. FEIN

- ◆ **YOUR MARYLAND RESTORATION AND QUALIFIED COSTS MUST BE CERTIFIED BY THE MARYLAND HISTORICAL TRUST (MHT).**
Attach a copy of your approved Certification Application (Part 3) and Form 502S to your tax return.
- ◆ **REMINDER:** Do not send photographs to the Revenue Administration Division. All photographs are to be sent to the MHT at: 100 Community Place, Crownsville, Maryland 21032-2023.

For more information or to obtain applications, contact the MHT at 410-514-7628 or www.mht.maryland.gov

SECTION 1	Column 1	Column 2	Column 3	Column 4
Complete this section only if certified rehabilitation was completed during 2013.	MHT Project Number and Location of Property	Certified Rehabilitation Expenditures	Multiply the Expenditures in Column 2 by the applicable percentage.	Enter the amount from Column 3 for each property.
Part A: For an application to rehabilitate a historic structure.			x 20% =	(\$3,000,000 maximum for commercial property; \$50,000 for non-commercial property)
Part B: For an application to rehabilitate a historic structure that is also a high performance building.			x 25% =	(\$3,000,000 maximum for commercial property)
Part C: For an application to rehabilitate a qualified rehabilitation structure.			x 10% =	(\$3,000,000 maximum for commercial property)

SECTION 2

Current Year Credit/Recapture:

- Enter the total from Column 4, parts A, B, and C less any recaptures if applicable (See instructions.) here and on:
line 2, Part I of Form 502CR (if filing Form 502 or Form 505), or,
line 34 of Form 504; or,

Corporations and pass-through entities must file electronically to claim or pass-on the Sustainable Communities tax credit. Corporations and PTEs will now claim this credit on Form 500CR, Part Z, line 1.

If negative, enter the negative amount on the appropriate form1. _____



General Instructions

Corporations and pass-through entities must file electronically to claim or pass on a Sustainable Communities Tax Credit. See Instructions to Form 500CR, Part Z.

Purpose of Form

Form 502S is used to calculate allowable tax credits for the rehabilitation of certified rehabilitation structures completed in the tax year which begins January 1, 2013 through December 31, 2013.

Certified Expenditures

Substantial rehabilitation expenditures incurred over a 24-month period must be certified by the Maryland Historical Trust (MHT). Substantial expenditures are those exceeding \$5,000 for single-family owner-occupied residential property. For qualified rehabilitative structures located in a Main Street Maryland Community, substantial expenditures are the greater of 50% of the adjusted basis of the structure or \$25,000. For all other property, substantial expenditures are the greater of the adjusted basis of the structure or \$25,000. **The same expenditures may not be used to qualify for a credit in any other tax year or in more than one Part of Section 1.**

Allowable Credit

A credit against state income tax for a percentage of the amount spent to rehabilitate a certified rehabilitation structure is provided for on the form. Credit for rehabilitation may be refunded if the credit exceeds the State tax liability and the structure is in Maryland.

Subject to MHT approval for postponement, commercial rehabilitation must be completed within 30 months from the date of issuance of the initial certificate.

Specific Instructions

Section 1

Part A Use Part A only if the rehabilitation involves a certified historic structure.

Part B Use Part B only if the rehabilitation involves a historic structure that also is a high performance building.

Part C Use Part C only if the rehabilitation involves a qualified rehabilitation structure.

Note: If there is more than one property for which a credit is being claimed in any Part (A, B, or C), attach a schedule that includes the same information provided in Section 1 of this form for each property. The total of the amounts in Column 4 for all properties will be entered on line 1 of Section 2.

Column 1 (Parts A, B and C) – Enter the MHT project number and location of each property as shown on the Certification Application (Part 3).

Column 2 (Parts A, B and C) – Enter the amount of certified expenditures for the property listed in Column 1.

Column 3 (Parts A, B and C) – Multiply the expenditure shown in Column 2 by the applicable percentage, and enter the result.

Column 4 (Parts A, B and C) – For each property, enter the amount from Column 3 or the applicable maximum credit (Part A - \$3,000,000 for commercial, \$50,000 for non-commercial; **whichever is less**; Parts B and C - \$3,000,000 for commercial).

Section 2

Current Year Credit/Recapture

Line 1 – Enter the total of the amounts in Column 4, Parts A, B, and C less the amount of any recaptures (see below). Also enter this amount on the appropriate line of the income tax form being filed: line 2, Part I of Form 502CR (Forms 502 or 505); or line 34 of Form 504. If negative, enter the negative amount.

Note: If credit is allowed for multiple properties in any one part (A, B, or C), the amount entered on line 1 should be the total of Column 4 for **all** rehabilitated properties.

Recaptures

For non-commercial rehabilitations, if within the first 5 years (starting with the first year the credit was claimed), work was performed that would disqualify a certified rehabilitation for which a credit was claimed, a portion of the credit must be recaptured.

For commercial rehabilitations, if within the first 5 years (starting with the first year the credit was claimed), work was performed that would disqualify any certification or the certified rehabilitation is disposed of, a portion of the credit is subject to recapture. A recapture must be made on the tax return for the tax year in which the disqualifying work or the disposal of a certified rehabilitation is done.

For non-commercial and commercial rehabilitations, the recapture is calculated as follows. In the first year, 100% of the credit must be recaptured, 80% in the 2nd, 60% in the 3rd, 40% in the 4th, and 20% in the 5th. No recapture is required for disqualifying work performed after the first 5 years or disposal after the first 5 years. Line 1 of Section 2 must be reduced by the amount of the recapture; if the result is negative, enter the negative amount.

Attachment of Forms

Attach your completed Form 502S along with a copy of the approved Certification Application (Part 3) to Form 502CR, Form 504, or Form 500CR. Failure to do so will result in the credit being disallowed.

Note: Nonprofit organizations that have been certified as having a qualified rehabilitation, may claim this credit on Form 502S. Trusts would attach the Form 502S to Fiduciary Form 504. 501(c)(3) corporations would complete the Form 502S section on their electronically-filed Corporation income tax return.

For questions concerning certification, contact:

Maryland Historical Trust
100 Community Place
Crownsville, Maryland 21032-2023
410-514-7628
www.mht.maryland.gov

For questions concerning the credit calculation, contact:

Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
410-260-7980 from central Maryland
1-800-MD TAXES from elsewhere
www.marylandtaxes.com