

(5) "Certified rehabilitation" means rehabilitation of a certified heritage structure which the Director certifies is substantial rehabilitation in conformance with the rehabilitation standards of the United States Secretary of the Interior.

(6) "Director" means the Director of the Maryland Historical Trust.

(7) "Local historic district" means a district that the governing body of a county or municipal corporation, or the Mayor and City Council of Baltimore, has designated under local law as historic.

(8) "Qualified rehabilitation expenditure" means any amount [expended in the rehabilitation of a structure] that is properly chargeable to capital account AND IS EXPENDED IN THE REHABILITATION OF A STRUCTURE THAT BY THE END OF THE TAXABLE YEAR IN WHICH THE CERTIFIED REHABILITATION IS COMPLETED IS A CERTIFIED HERITAGE STRUCTURE.

(9) "Substantial rehabilitation" means rehabilitation of a structure for which the qualified rehabilitation expenditures, during the 24-month period selected by the taxpayer ending with or within the taxable year, exceed:

(i) For owner-occupied residential property, \$5,000; or

(ii) For all other property, the greater of:

1. The adjusted basis of the structure; or

2. \$5,000.

(b) (1) Subject to subsection (c) of this section, for the taxable year in which a certified rehabilitation is completed, a business entity or an individual may claim a tax credit in an amount equal to 25% of the taxpayer's qualified rehabilitation expenditures for the rehabilitation.

(2) The same tax credit may not be applied more than once against different taxes.

(c) If the credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the business entity or the individual for that taxable year, the business entity or individual may apply the excess as a credit for succeeding years until the earlier of:

(1) The full amount of the excess is used; or

(2) The expiration of the tenth taxable year after the taxable year in which the certified rehabilitation is completed.

(d) (1) If a certified heritage structure for which a certified rehabilitation has been completed is sold or transferred, the amount of any credit unused at the time of sale or transfer may be transferred to the individual or business entity to which the building is sold or transferred.

(2) IF A CERTIFIED HERITAGE STRUCTURE FOR WHICH A CERTIFIED REHABILITATION HAS BEEN COMPLETED BY A NONPROFIT CORPORATION EXEMPT