

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL OR A CORPORATION MAY CLAIM ~~A CREDIT~~ CREDITS AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO:

(1) 3% OF THE MARYLAND QUALIFIED RESEARCH AND DEVELOPMENT EXPENSES, NOT EXCEEDING THE MARYLAND BASE AMOUNT FOR THE INDIVIDUAL OR CORPORATION, PAID OR INCURRED BY THE INDIVIDUAL OR CORPORATION DURING THE TAXABLE YEAR; AND

(2) 10% OF THE AMOUNT BY WHICH THE MARYLAND QUALIFIED RESEARCH AND DEVELOPMENT EXPENSES PAID OR INCURRED BY THE INDIVIDUAL OR CORPORATION DURING THE TAXABLE YEAR EXCEED THE MARYLAND BASE AMOUNT FOR THE INDIVIDUAL OR CORPORATION.

(C) (1) BY SEPTEMBER 15 OF THE CALENDAR YEAR FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE MARYLAND QUALIFIED RESEARCH AND DEVELOPMENT ~~EXPENSE WAS~~ EXPENSES WERE INCURRED, AN INDIVIDUAL OR CORPORATION SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT FOR THE ~~CREDIT UNDER~~ CREDITS ALLOWED UNDER SUBSECTION (B)(1) AND (2) OF THIS SECTION.

(2) (I) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT UNDER SUBSECTION (B)(1) OF THIS SECTION MAY NOT EXCEED \$10,000,000 \$3,000,000 FOR ANY CALENDAR YEAR.

(II) IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL INDIVIDUALS AND CORPORATIONS EXCEEDS \$10,000,000 UNDER SUBSECTION (B)(1) OF THIS SECTION EXCEEDS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT SHALL APPROVE A CREDIT UNDER SUBSECTION (B)(1) OF THIS SECTION FOR EACH APPLICANT ~~A CREDIT~~ IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE APPLICANT TIMES A FRACTION:

(I) 1. THE NUMERATOR OF WHICH IS ~~\$10,000,000~~ THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND

(II) 2. THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL CREDITS APPLIED FOR BY ALL APPLICANTS UNDER SUBSECTION (B)(1) OF THIS SECTION IN THE CALENDAR YEAR.

(3) (I) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT UNDER SUBSECTION (B)(2) OF THIS SECTION MAY NOT EXCEED \$3,000,000 FOR ANY CALENDAR YEAR.

(II) IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL INDIVIDUALS AND CORPORATIONS UNDER SUBSECTION (B)(2) OF THIS SECTION EXCEEDS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT SHALL APPROVE A CREDIT UNDER SUBSECTION (B)(2) OF THIS SECTION FOR EACH APPLICANT IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE APPLICANT TIMES A FRACTION: