

1. THE NUMERATOR OF WHICH IS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (1) OF THIS PARAGRAPH; AND

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

(4) BY DECEMBER 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, THE DEPARTMENT SHALL CERTIFY TO THE INDIVIDUAL OR CORPORATION THE AMOUNT OF THE RESEARCH AND DEVELOPMENT TAX ~~CREDIT~~ CREDITS APPROVED BY THE DEPARTMENT FOR THE INDIVIDUAL OR CORPORATION UNDER SUBSECTION (B)(1) AND (2) OF THIS SECTION.

(5) TO CLAIM THE APPROVED ~~CREDIT~~ CREDITS ALLOWED UNDER THIS SECTION, AN INDIVIDUAL OR CORPORATION SHALL:

(I) FILE AN AMENDED INCOME TAX RETURN FOR THE TAXABLE YEAR IN WHICH THE MARYLAND QUALIFIED RESEARCH AND DEVELOPMENT EXPENSE WAS INCURRED; AND

(II) ATTACH A COPY OF THE DEPARTMENT'S CERTIFICATION OF THE APPROVED CREDIT AMOUNT TO THE AMENDED INCOME TAX RETURN.

(D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, AN INDIVIDUAL OR CORPORATION MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

(1) THE FULL AMOUNT OF THE EXCESS IS USED; OR

(2) THE EXPIRATION OF THE 15TH TAXABLE YEAR AFTER THE TAXABLE YEAR IN WHICH THE MARYLAND QUALIFIED RESEARCH AND DEVELOPMENT EXPENSE WAS INCURRED.

(E) (1) IN DETERMINING THE AMOUNT OF THE CREDIT UNDER THIS SECTION:

(I) ALL MEMBERS OF THE SAME CONTROLLED GROUP OF CORPORATIONS, AS DEFINED UNDER § 41(F) OF THE INTERNAL REVENUE CODE, SHALL BE TREATED AS A SINGLE TAXPAYER; AND

(II) THE CREDIT ALLOWABLE BY THIS SECTION TO EACH MEMBER SHALL BE ITS PROPORTIONATE SHARES OF THE QUALIFIED RESEARCH EXPENSES GIVING RISE TO THE CREDIT.

(2) THE COMPTROLLER SHALL ADOPT REGULATIONS PROVIDING FOR:

(I) DETERMINATION OF THE AMOUNT OF THE CREDIT UNDER THIS SECTION IN THE CASE OF TRADES OR BUSINESSES, WHETHER OR NOT INCORPORATED, THAT ARE UNDER COMMON CONTROL;