

(II) "CERTIFIED HERITAGE STRUCTURE" DOES NOT INCLUDE A STRUCTURE THAT IS OWNED BY THE STATE, A POLITICAL SUBDIVISION OF THE STATE, OR THE FEDERAL GOVERNMENT, OTHER THAN A STRUCTURE LOCATED ON THE HIPPODROME SITE, AS DEFINED IN § 13-701 OF THE FINANCIAL INSTITUTIONS ARTICLE.

(5) "Certified rehabilitation" means A COMPLETED 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 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 ~~(e)~~ (E) 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 STATE TAX CREDIT ALLOWED UNDER THIS SECTION MAY BE ALLOCATED AMONG THE PARTNERS, MEMBERS, OR SHAREHOLDERS OF AN ENTITY MAKING THE QUALIFIED REHABILITATION EXPENDITURES IN ANY MANNER AGREED TO BY THOSE PERSONS IN WRITING;~~

~~(I) REGARDLESS OF THE ALLOCATION OF ANY FEDERAL INCOME TAX REHABILITATION CREDIT FOR THE QUALIFIED REHABILITATION EXPENDITURES AMONG THOSE PERSONS; AND~~

~~(II) WHETHER OR NOT THE PERSONS RECEIVING THE ALLOCATION OF THE STATE TAX CREDIT ARE ALLOCATED OR ALLOWED ANY PORTION OF ANY FEDERAL INCOME TAX REHABILITATION CREDIT FOR THE QUALIFIED REHABILITATION EXPENDITURES.~~