

rehabilitation is completed, any disqualifying work is performed on the certified heritage structure for which the certified rehabilitation has been completed.

(3) (i) 1. If the disqualifying work is performed during the taxable year in which the certified rehabilitation was completed, 100% of the credit shall be recaptured.

2. If the disqualifying work is performed during the first full year succeeding the taxable year in which the certified rehabilitation was completed, 80% of the credit shall be recaptured.

3. If the disqualifying work is performed during the second full year succeeding the taxable year in which the certified rehabilitation was completed, 60% of the credit shall be recaptured.

4. If the disqualifying work is performed during the third full year succeeding the taxable year in which the certified rehabilitation was completed, 40% of the credit shall be recaptured.

5. If the disqualifying work is performed during the fourth full year succeeding the taxable year in which the certified rehabilitation was completed, 20% of the credit shall be recaptured.

(ii) Except as provided under paragraph (4) of this subsection, the business entity or individual that claimed the credit shall pay the amount to be recaptured as determined under subparagraph (i) of this paragraph as taxes payable to the State for the taxable year in which the disqualifying work is performed.

(4) Recapture of the credit allowed under this section is not required if the business entity or individual that claimed the credit does not own an interest in the certified heritage structure when the disqualifying work is performed.

(f) A refund payable under subsection (c) of this section:

(1) Operates to reduce the income tax revenue from corporations if the person entitled to the refund is a corporation subject to the income tax under Title 10 of the Tax - General Article;

(2) Operates to reduce insurance premium tax revenues if the person entitled to the refund is subject to taxation under Title 6 of the Insurance Article; and

(3) Operates to reduce the income tax revenue from individuals if the person entitled to the refund is:

(i) An individual subject to the income tax under Title 10 of the Tax - General Article; or

(ii) An organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code.