

10-703.

(a) Except as provided in subsection (b) of this section, [an individual] A RESIDENT may claim a credit only against the State income tax for a taxable year in the amount determined under subsection (c) of this section for STATE tax on income paid to another state for the year.

(b) A credit under subsection (a) of this section is not allowed to:

(1) a resident, if the laws of the other state allow the resident a credit for State income tax paid to this State;

(2) a resident for less than the full taxable year for tax on income that is paid to another state during residency in that state; or

(3) a nonresident [unless the laws of the state in which the nonresident resides:

(i) allow a credit for State income tax that a resident of this State pays; or

(ii) exempt the income of a resident of this State].

(c) (1) Except as provided in paragraph (2) of this subsection, the credit allowed a resident under subsection (a) of this section is the lesser of:

(i) the amount of allowable tax on income that the resident paid to another state; or

(ii) an amount that does not reduce the State income tax to an amount less than would be payable if the income subjected to tax in the other state were disregarded.

(2) If the credit allowed a resident under subsection (a) of this section is based on tax that an S corporation pays to another state, the credit allowable to a shareholder:

(i) may not exceed that shareholder's pro rata share of the tax; and

(ii) will be allowed for another state's income taxes or taxes based on income.

[(d) The credit allowed a nonresident under subsection (a) of this section for tax on income paid to the state where the nonresident resides is a fraction:

(1) the numerator of which is the Maryland taxable income of the nonresident; and

(2) the denominator of which is the taxable income on which the nonresident paid the tax to the state where the nonresident resides.]

[10-801.

In this subtitle, "individual" does not include a fiduciary.]