



17502C049

Print Using Blue or Black Ink Only

Your Social Security Number

Spouse's Social Security Number

Your First Name

Initial

Your Last Name

Spouse's First Name

Initial

Spouse's Last Name

Read Instructions for Form 502CR. Note: You must complete and submit pages 1 through 3 of this form to receive credit for the items listed.

PART A - TAX CREDITS FOR INCOME TAXES PAID TO OTHER STATES AND LOCALITIES

If you were a part-year resident, do not claim a credit for tax paid on nonresident income you included on line 12 of the Form 502.

If you are claiming a credit for taxes paid to multiple states and/or localities, see instructions.

- 1. Enter your taxable net income from line 20, Form 502 (or line 10, Form 504).
2. Taxable net income in other state. Write on this line only the net income which is taxable in both the other state and Maryland.
3. Revised taxable net income (Subtract line 2 from line 1.) If less than zero, enter zero.
4. Enter the Maryland tax from line 21, Form 502 (or line 11, Form 504). This is the Maryland tax based on your total income for the year.
5. Tax on amount on line 3. Compute the Maryland tax that would be due on the revised taxable net income by using the Maryland Tax Table or Computation Worksheet contained in the instructions for Forms 502 or 504.
6. Tentative State tax credit (Subtract line 5 from line 4.) If less than zero, enter zero.
7. Enter the Local tax from line 28, Form 502 (or line 18, Form 504). This is the Local tax based on your total income for the year.
8. Local tax on amount on line 3. Compute the Local tax that would be due on the revised taxable net income by multiplying line 3 by your Local tax rate .0
9. Tentative Local tax credit (Subtract line 8 from line 7.) If less than zero, enter zero.
10. Tentative Total tax credit (Add line 6 and line 9.)
11. Total state and local tax shown on tax return(s) filed with the state of (Enter 2-letter state code, code must be entered for credit to be allowed)
12. Credit for income tax paid to other state and/or locality. Your credit for taxes paid to another state and/or locality is the smaller of the tax actually paid (line 11) or the reduction in Maryland tax resulting from the exclusion of income in the other state and/or locality (line 10). Write the lesser of line 11 or line 10.

State and Local Credits Allowed

- 13. State Credit for Income Tax Paid to other state (Lesser of line 6 or line 12). Enter on line 1, Part K.
14. Local Credit for Income Tax Paid to other state (Subtract line 13 from line 12.) Enter on line 1, Part L.



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PART B - CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

- 1. Enter your federal adjusted gross income from line 1 of Form 502 or line 17, column 1 of Form 505 or Form 515.
2. Enter your federal Child and Dependent Care Credit from federal Form 2441
3. Enter the decimal amount from the chart in the instructions that applies to the amount on line 1
4. Multiply line 2 by line 3. Enter here and on Part K, line 2

PART C - QUALITY TEACHER INCENTIVE CREDIT

Enter the Name of Qualified Employer

- 1. Enter the Maryland public school system or a State or local correctional facility or qualified juvenile facility in which you are employed and teach
2. Enter amount of tuition paid to: Name of Institution(s)
3. Enter amount of tuition reimbursement
4. Subtract line 3 from line 2
5. Maximum credit. 1500.00
6. Enter the lesser of line 4 or line 5 here.
7. Total (Add amounts from line 6, for Taxpayers A and B) Enter here and on Part K, line 3

PART D - CREDIT FOR AQUACULTURE OYSTER FLOATS

- 1. Enter the amount paid to purchase an aquaculture oyster float(s) Enter here and on Part K, line 4. This credit is limited. See Instructions.

PART E - LONG-TERM CARE INSURANCE CREDIT: (THIS IS A ONE-TIME CREDIT.)

Answer the questions and see instructions below before completing Columns A through E for each person for whom you paid long-term care insurance premiums.

- Question 1 - Did the insured individual have long-term care insurance prior to July 1, 2000?
Question 2 - Is the credit being claimed for the insured individual in this year by any other taxpayer?
Question 3 - Has credit been claimed by anyone for the insured individual in any other tax year?
Question 4 - Is the insured individual for whom the credit is being claimed a nonresident of Maryland?

If you answered YES to any of the above questions, that insured person does NOT qualify for the credit.

Complete Columns A through D only for insured individuals who qualify for credit. Enter in Column E the lesser of the amount of premium paid for each insured person or:

- \$410 for those insured who are 40 or less, as of 12/31/17
\$500 for those insured who are over age 40, as of 12/31/17.

Add the amounts in Column E and enter the total on line 5 (total) and on Part K, line 5.

Table with 6 columns: Column A (Name of Qualifying Insured Individual), Column B (Age), Column C (Social Security No. of Insured), Column D (Relationship to Taxpayer), Column E (Amount of Premium Paid), and Column F (Credit Amount). Includes a TOTAL row at the bottom.

PART F - CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS

PTE members may not use the Form 502CR to claim this credit.

Taxpayer A

Taxpayer B

- 1. Enter the portion of the total current-year conveyance amount, and any carryover from prior year(s), attributable to each taxpayer
2. Enter the amount of any payment received for the easement by each taxpayer during 2017.
3. Subtract line 2 from line 1
4. Enter the amount from line 21 of Form 502; line 32c of Form 505; line 33 of Form 515; line 13 of Form 504 or \$5,000, whichever is less. See instructions
5. Enter the lesser of line 3 or 4 here. (If you itemize deductions, see Instruction 14.)
6. Total (Add amounts from line 5 for Taxpayers A and B.). Enter here and on Part K, line 6
7. Excess credit carryover. Subtract line 6 from the sum of lines 3A and 3B.



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NAME _____ SSN _____

PART G - RESERVED FOR FUTURE USE

PART H - COMMUNITY INVESTMENT TAX CREDIT ** must attach required certification

This credit is limited to individual taxpayers who have elected not to claim this credit on Form 500CR. If you have an Excess Carryover on Form 500CR attributable to any credit other than the Community Investment Tax Credit (CITC), you are not eligible to claim the CITC on Form 502CR. You must use Form 500CR. Also, PTE members may not elect to use Form 502CR to claim the CITC.

- 1. Enter the amount of Excess CITC Carryover from 2016.
2. Amount of approved contributions.
3. Enter 50% of line 2.
4. Enter the amount from line 3 or \$250,000, whichever is less.
5. Add line 1 and line 4. Enter the result here and on Part K, line 8.

PART I - ENDOW MARYLAND TAX CREDIT **must attach required certification

This credit is limited to individual taxpayers who have elected not to claim this credit on Form 500CR.

- 1. Enter the amount of Excess Endow Maryland Tax Credit Carryover from 2016
2. Amount of approved donation to a qualified permanent endowment fund
3. Enter 25% of line 2
4. Enter the amount from line 3 or \$50,000, whichever is less
5. Add line 1 and line 4. Enter the result here and on Part K, line 9.

Note: Line 2 of Part I requires an addition to income. See Instruction 12.

PART J - PRECEPTORS IN AREAS WITH HEALTH CARE WORKFORCE SHORTAGES TAX CREDIT **must attach required certification

- 1. Physician Preceptorship Tax Credit: Enter amount certified by Department of Health and Mental Hygiene (See Instructions)
2. Nurse Practitioner Preceptorship Tax Credit: Enter amount certified by Department of Health and Mental Hygiene (See Instructions)
3. Add line 1 and line 2. Enter the result here and on Part K, line 10.

PART K - INCOME TAX CREDIT SUMMARY

- 1. Enter the amount from Part A, line 13 (If more than one state, see Instructions.)
2. Enter the amount from Part B, line 4
3. Enter the amount from Part C, line 7
4. Enter the amount from Part D, line 1
5. Enter the amount from Part E, line 5.
6. Enter the amount from Part F, line 6.
7. RESERVED FOR FUTURE USE
8. Enter the amount from Part H, line 5
9. Enter the amount from Part I, line 5.
10. Enter the amount from Part J, line 3.
11. Total (Add lines 1 through 10.) Enter this amount on line 24 of Form 502; line 14 of Form 504; line 34 of Form 505 or line 35 of Form 515

PART L - LOCAL INCOME TAX CREDIT SUMMARY

- 1. Enter the amount from Part A, line 14 (If more than one state, see Instructions.) Enter this amount on line 31 of Form 502; line 19 of Form 504.

PART M- REFUNDABLE INCOME TAX CREDITS

- 1. Student Loan Debt Relief Tax Credit (See Instructions.). Enter the amount and attach certification.
2. Heritage Structure Rehabilitation Tax Credit (See Instructions for Form 502S). Attach certification(s).
3. Refundable Business Income Tax Credit (See Instructions for Form 500CR.)
4. IRC Section 1341 Repayment Credit. (See Instructions and Administrative Release 40.) Attach documentation
5. Flow-through Nonresident PTE tax (See Instructions for required attachments.)
6. Total. (Add lines 1 through 5.) Enter this amount on line 43 of Form 502, line 46 of Form 505 or line 51 of Form 515.

You must file your return electronically to claim a business income tax credit.

GENERAL INSTRUCTIONS

Purpose of Form. Form 502CR is used to claim personal income tax credits for individuals (including resident fiduciaries).

You may report the following tax credits on this form: the Credit for Income Taxes Paid to Other States and Localities, Credit for Child and Dependent Care Expenses, Quality Teacher Incentive Credit, Long-Term Care Insurance Credit, Credit for Preservation and Conservation Easements, Credit for Aquaculture Oyster Floats, the Community Investment Tax Credit, the Endow Maryland Tax Credit, Preceptors in Areas with Health Care Workforce Shortages Tax Credit, Heritage Structure Rehabilitation Tax Credit, Student Loan Debt Relief Tax Credit (See Instructions.), Flow-Through Nonresident PTE Tax and IRC Section 1341 Repayment Credit. You must file Form 500CR electronically to claim a business income tax credit other than the Community Investment Tax Credit and Endow Maryland Tax Credit.

The Student Loan Debt Relief Tax Credit (See Instructions.), the Heritage Structure Rehabilitation Tax Credit and/or certain business tax credits from Form 500CR and the IRC Section 1341 Repayment Credit are refundable. All of the other credits may not exceed the state income tax.

Excess credit for the Preservation and Conservation Easements Tax Credit, Community Investment Tax Credit and Endow Maryland Tax Credit may be carried forward to the next tax year. Excess amounts of the other credits cannot be carried forward. **Note: Resident fiduciaries may use Form 502CR to claim only a credit for income taxes paid to other states and/or localities or a Credit for Preservation and Conservation Easements.**

Name and Other Information. Type or print the name(s) as shown on Form 502, 505, 515 or 504 in the designated area. Enter the Social Security number for each taxpayer.

Form 502CR must be attached to the annual return (Form 502, 504, 505 or 515).

PART A - CREDIT FOR INCOME TAXES PAID TO OTHER STATES AND LOCALITIES

If you are a Maryland resident (including a resident fiduciary) and you paid income tax to another state, you may be eligible for State and local tax credits on your Maryland return. Nonresidents (filing Form 505, 515 or 504) are not eligible for this credit.

Find the state to which you paid a nonresident tax or the state of the locality to which you paid a nonresident tax in one of the following groups. The instructions for that group will tell you if you are eligible for credit and should complete Part A of Form 502CR. You must file your Maryland income tax return on Form 502 and complete lines 1 through 21 and line 28 of that form, or on Form 504 and complete lines 1 through 11 and line 18. Then complete Form 502CR Parts A, K, and L and attach to Form 502 or 504.

A completed, signed copy of the income tax return filed in the other state and/or locality must also be attached to Form 502 or 504.

CAUTION: Do not use the income or withholding tax reported on the wage and tax statement (W-2 Form) issued by your employer for the credit computation. Use the taxable income and the income tax calculated on the return you filed with the other state.

Claiming Credit for Taxes Paid to Multiple States and Localities If you are claiming credit for taxes paid to multiple states, a separate Form 502CR must be completed for each state. Total the amount from each Form 502CR, Part A, line 13 and line 14. Using only one Form 502CR as a summary section, record the total amount from line 13 of the separate Forms 502CR on line 1, Part K of the summary Form 502CR. Record the total amount from line 14 of the separate Forms 502CR on line 1, Part L of the summary Form 502CR.

GROUP I - Nonreciprocal - Credit is taken on the Maryland resident return.

Alabama - AL	Illinois - IL	Mississippi - MS
Arizona - AZ	Indiana - IN	Missouri - MO
Arkansas - AR	Iowa - IA	Montana - MT
California - CA	Kansas - KS	Nebraska - NE
Colorado - CO	Kentucky - KY	New Hampshire - NH
Connecticut - CT	Louisiana - LA	New Jersey - NJ
Delaware - DE	Maine - ME	New Mexico - NM
Georgia - GA	Massachusetts - MA	New York - NY
Hawaii - HI	Michigan - MI	North Carolina - NC
Idaho - ID	Minnesota - MN	North Dakota - ND

Ohio - OH	Utah - UT	Territories and Possessions of the United States
Oklahoma - OK	Vermont - VT	American Samoa - AS
Oregon - OR	Virginia - VA	Guam - GU
Pennsylvania - PA (except wage income)	Washington, DC - DC (except wage income)	Northern Mariana Island - MP
Rhode Island - RI	West Virginia - WV (except wage income)	Puerto Rico - PR
South Carolina - SC	Wisconsin - WI	U.S. Virgin Islands - VI
Tennessee - TN		
Texas - TX		

A Maryland resident (including a resident fiduciary) having income from one of these states must report the income on the Maryland return Form 502 or 504. To claim a credit for taxes paid to the other state, and/or local jurisdiction in the other state, complete Form 502CR and attach it and a copy of the other state's nonresident income tax return (not just your W-2 Form) and, if applicable, the local jurisdiction's nonresident income tax return to your Maryland return.

GROUP II - Reciprocal for wages, salaries, tips and commission income only.

Pennsylvania - PA	Washington, DC - DC
Virginia - VA	West Virginia - WV

Maryland has a reciprocal agreement with the states included in Group II. The agreement applies only to wages, salaries, tips and commissions. It does not apply to business income, farm income, rental income, gain from the sale of tangible property, etc. If you had such income subject to tax in these states, complete Form 502CR and attach it and a copy of the other state's nonresident income tax return (not just your W-2 Form) and, if applicable, the local tax jurisdiction's nonresident income tax return to your Maryland return.

If you had wages, plus income other than wages from a state listed in Group II, you should contact the taxing authorities in the other state to determine the proper method for filing the nonresident return.

NOTE: If you had wages subject to tax in a locality in Pennsylvania, you may file Form 502CR to claim a State and local tax credit. Enter the amount of tax that you paid to the locality on line 11, Part A of the Form 502CR.

GROUP III - No state income tax - No credit allowed.

Alaska - AK	South Dakota - SD
Florida - FL	Washington - WA
Nevada - NV	Wyoming - WY

You must report income from these states on your Maryland resident return. You cannot claim any credit for income earned in these states because you did not pay any income tax to the other state.

PART A - IMPORTANT NOTE FOR DUAL RESIDENTS

A person may be a resident of more than one state at the same time for income tax purposes. If you must file a resident return with both Maryland and another state, use the following rules to determine where the credit should be taken:

1. A person who is domiciled in Maryland and who is subject to tax as a resident of any of the states listed in Group I or II can claim a credit on the Maryland return (Form 502) using Part A of Form 502CR.
2. A person domiciled in any state listed in Group I or II who must file a resident return with Maryland must take the credit in the state of domicile.

PART A - SPECIAL INSTRUCTIONS

Members of Pass-through Entities - When a partnership, S corporation, limited liability company (LLC) or business trust files a composite return on behalf of its partners, shareholders or members with states in Groups I and II, Maryland resident partners, shareholders or members may claim a credit for their share of the tax paid. Attach a copy of the composite return filed with each of the other states. In lieu of the composite return, attach a statement(s) from the pass-through entity showing your share of the total income, your share of the taxable net income and your share of the tax liability in each of the other states.

Complete a separate Form 502CR Part A for each state, entering your share of the taxable net income on line 2 and your share of the tax liability on line 11. Do not enter the amount of tax withheld on your behalf as shown on the Maryland Schedule K-1 or other statement issued to you by the pass-through entity. Total the amount from each Form 502CR, Part A, line 13. Using only one summary Form 502CR, record the total on Part K, line 1. Total the amount from each Form 502CR, Part A, line 14.

Using the summary Form 502CR, record the total on Part L, line 1. Write "SUMMARY" across the top of page 1 of the summary Form 502CR.

If the Maryland resident must file an individual nonresident return reporting the partnership, S corporation, LLC or business trust income, a separate Form 502CR must be completed for each state and submitted with a copy of the return filed with the other state.

For both composite returns and individual returns, no credit is available for taxes paid to states in Group III.

Shareholders of S Corporations - Maryland resident shareholders can claim a credit for taxes paid by an S corporation to a state which does not recognize federal S corporation treatment. A copy of the corporation return filed in the other state is required to be attached to the Maryland return. A separate Form 502CR should be completed for each state showing the following information:

_____ %	x _____	= _____
Stock ownership percentage	Corporation taxable income	Line 2, Part A, Form 502CR
_____ %	x _____	= _____
Stock ownership percentage	Corporation tax	Line 11, Part A, Form 502CR

NOTE: A preliminary calculation using Form 502 must be made before calculating the credit on Form 502CR. Complete lines 1 through 21 and line 28 on Form 502 to determine the amounts to be used for the 502CR computation.

The credit amount shown on lines 13 and 14 of Part A, Form 502CR then must be included as an addition to income on line 5 of the Form 502 you will file. (See Instruction 12 - Additions to Income - in the Resident Instruction Booklet)

D.C. Unincorporated Business Franchise Tax - Self-employed individuals and partners in a partnership who are subject to D.C. unincorporated business franchise tax may claim a credit on Form 502CR. A copy of the D.C. return is required for self-employed individuals and for partners, a K-1 or other statement from the partnership showing the partner's share of income and the partner's share of the D.C. tax.

Installment Sales in Another State - You may be eligible for credit for taxes paid to another state and/or locality for gain recognized on installment, sales proceeds, even if the other state and/or locality required the total be recognized in an earlier tax year. The gain must have been deferred for federal tax purposes, but fully taxed in the year of the sale by another state and/or locality that does not recognize the deferral. The credit allowed is the amount of the gain taxed in Maryland in the current year multiplied by the lesser of:

- the highest State plus local tax rate used on your Maryland tax return
- OR
- the tax rate imposed by the other state and/or locality on the gain.

PART B - CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

If you are eligible for a Child and Dependent Care Credit on your federal income tax return, Form 1040 or 1040A for tax year 2017, you may

be entitled to a credit on your Maryland state income tax return. The credit starts at 32.5% of the federal credit allowed, but is phased out for taxpayers with federal adjusted gross incomes above \$41,000 (\$20,500 for individuals who are married, but file separate income tax returns). No credit is allowed for an individual whose federal adjusted gross income exceeds \$50,000 (\$25,000 for married filing separately). Use the CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES CHART to determine the decimal amount to be entered on line 3 of Part B.

PART C - QUALITY TEACHER INCENTIVE CREDIT

If you are a qualified teacher, you may be able to claim a credit against your State tax liability for tuition paid to take graduate-level courses required to maintain certification. This credit applies to individuals who:

- Currently hold a standard professional certificate or advanced professional certificate;
- Are employed by a county/city board of education in Maryland, a state or local correctional facility, or a juvenile correctional facility as listed below in the note;
- Teach in a public school or qualified facility and receive a satisfactory performance;
- Successfully complete the courses with a grade of B or better; and
- Have not been fully reimbursed by the state/county/city for these expenses.

Only the unreimbursed portion qualifies for the credit.

Each spouse that qualifies may claim this credit. Complete a separate column in the worksheet for each spouse.

NOTE: Qualified juvenile facilities are: the Alfred D. Noyes Children's Center; the Baltimore City Juvenile Justice Center; the Charles H. Hickey, Jr. School; the Cheltenham Youth Facility; the J. DeWeese Carter Center; the Lower Eastern Shore Children's Center; the Thomas J. S. Waxter Children's Center; the Victor Cullen Center; the Western Maryland Children's Center; and the youth centers.

INSTRUCTIONS

- Line 1** Enter the name of the Maryland public school system or State or local correctional facility or qualified juvenile facility in which you are employed and teach.
- Line 2** Enter the amount of tuition paid for graduate-level courses for each qualifying teacher and the name of the institution(s) to which it was paid.
- Line 3** Enter the amount received as a reimbursement for tuition from your employer.
- Line 5** The maximum amount of credit allowed is \$1,500 for each qualifying individual.
- Line 6** The credit is limited to the amount paid less any reimbursement up to the maximum amount allowed for each qualifying individual. Enter the lesser of line 4 or line 5.
- Line 7** Enter the total of line 6, for Taxpayers A and B. Also enter this amount on Part K, line 3.

CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES CHART				
If your filing status is Married Filing Separately and your federal adjusted gross income is:		Decimal Amount	For all other filing statuses, if your federal adjusted gross income is:	
At Least	But less than		At least	But less than
\$0-	\$20,501	.3250	\$0	\$41,001
\$20,501	\$21,001	.2925	\$41,001	\$42,001
\$21,001	\$21,501	.2600	\$42,001	\$43,001
\$21,501	\$22,001	.2275	\$43,001	\$44,001
\$22,001	\$22,501	.1950	\$44,001	\$45,001
\$22,501	\$23,001	.1625	\$45,001	\$46,001
\$23,001	\$23,501	.1300	\$46,001	\$47,001
\$23,501	\$24,001	.0975	\$47,001	\$48,001
\$24,001	\$24,501	.0650	\$48,001	\$49,001
\$24,501	\$25,001	.0325	\$49,001	\$50,001
\$25,001	or over	.0000	\$50,001	or over

PART D - CREDIT FOR AQUACULTURE OYSTER FLOATS

A credit is allowed for 100% of the amounts paid to purchase new aquaculture oyster floats that are designed to grow oysters at or under an individual homeowner's pier. The devices must be buoyant and assist in the growth of oysters for the width of the pier. In the case of a joint return, each spouse is entitled to claim the credit, provided each spouse purchases or contributes to the purchase of a float. The credit amount is limited to the lesser of the individual's state tax liability for that year or the maximum allowable credit of \$500. In the case of a joint return, each spouse must calculate his/her own state tax liability for limitation purposes.

PART E - LONG-TERM CARE INSURANCE CREDIT

A **one-time credit** may be claimed against the state income tax for the payment of qualified long-term care (LTC) insurance premiums as defined by the IRS (Publication 502) for a policy to insure yourself, or your spouse, parent, stepparent, child or stepchild, who is a resident of Maryland.

A credit may not be claimed if:

- a. The insured was covered by LTC insurance prior to July 1, 2000;
- b. The credit for the insured is being claimed in this year by another taxpayer;
- c. The credit is being or has been claimed by anyone in any other tax year; or
- d. The insured is a nonresident of Maryland.

The credit is equal to the LTC premiums paid with a maximum per insured of:

Amount	Age of Insured as of 12/31/17
\$410	40 or less
\$500	over 40 years

SPECIFIC INSTRUCTIONS

- Answer Questions 1 through 4. If you answered "yes" for any of the questions, no credit is allowed for that individual.
- Complete Columns A through D of the worksheet for each qualifying insured individual who qualifies for the credit. If more space is required, attach a separate statement.
- Enter in Column E the amount of premiums paid for each qualifying insured individual up to the maximum for that age group.
- Add the amounts in Column E and enter the total on line 5. Also enter this amount on Part K, line 5.

PART F - CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS

Businesses or individuals may be eligible for a credit for an easement conveyed to the Maryland Environmental Trust, the Maryland Agricultural Land Preservation Foundation or the Maryland Department of Natural Resources to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds or historic properties if:

1. the easement is perpetual;
2. the easement is accepted and approved by the Board of Public Works; and
3. the fair market value of the property before and after the conveyance of the easement is substantiated by a certified real estate appraiser.

Individuals who are eligible to claim the Credit for Preservation and Conservation Easements and who are not PTE members must claim this credit on Part F of the Form 502CR. PTE members who are eligible for this credit must claim the credit on Business Income Tax Credit Form 500CR.

The credit is equal to the difference in the fair market values of the property reduced by payments received for the easement. If the property is owned jointly by more than one individual, such as a married couple, **each individual owner is entitled to the credit based on their percentage of ownership.** The credit amount is limited to the lesser of the individual's state tax liability for that year or the maximum allowable credit of \$5,000, per owner, who qualifies to claim the credit. Complete a separate column in the worksheet for each spouse. **In the case of a joint return,** each spouse must calculate their own state tax liability for limitation purposes. Use the rules for filing separate returns in Instruction 8 in the Resident booklet to calculate each spouse's Maryland tax. In

the case of a fiduciary return, the fiduciary will complete the column for Taxpayer B only.

If the individual's allowable credit amount exceeds the maximum of \$5,000, up to \$5,000 can be carried forward each subsequent year until the allowable credit is used up or 15 years, whichever first occurs.

Complete lines 1-7 of Part F. If you itemize deductions, see Instruction 14 in the Resident booklet. For line 1, enter the amount by which the fair market value of the property before the conveyance of the easement exceeds the fair market value after the conveyance as substantiated by a certified real estate appraiser, plus any carryover from the prior year.

The carryover amount can be found on Part F, line 7 of Form 502CR for tax year 2016.

For additional information, contact the Maryland Environmental Trust at 410-514-7900, www.dnr.state.md.us/met, the Maryland Agricultural Land Preservation Foundation at 410-841-5860, or the Department of Natural Resources at 410-260-8367.

PART G - RESERVED FOR FUTURE USE

PART H - COMMUNITY INVESTMENT INCOME TAX CREDIT

Businesses or individuals who contribute to approved Community Investment Programs may be eligible for a credit against the Maryland State income tax. Contributions must be made to a nonprofit organization approved by the Department of Housing and Community Development (DHCD). The taxpayer must apply to and receive approval by the DHCD for each contribution for which a credit is claimed.

Individuals who are eligible to claim the Community Investment Tax Credit (CITC), and who are not PTE members may elect to claim this credit on Part H of Form 502CR, instead of claiming the credit on Form 500CR. However, an individual may not claim this credit on both Form 500CR and Form 502CR. PTE members who are eligible for this credit must claim the credit on Business Income Tax Credit Form 500CR.

Individuals who anticipate having a carryover of the CITC are advised to use Form 500CR instead of Form 502CR. Individuals who have an existing carryover on their 2016 Form 500CR may elect to use Form 502CR if their Excess Carryover Credit is attributable only to the CITC.

The credit is limited to 50% of the approved contributions (including real property) not to exceed \$250,000.

NOTE: A copy of the required approval from the DHCD must be included with Form 502CR.

SPECIFIC INSTRUCTIONS

- Line 1** Enter the amount of excess CITC carryover from 2016.
- Line 2** Enter the amount of approved contributions on line 2.
- Line 3** Enter 50% of line 2.
- Line 4** Enter the amount from line 3 or \$250,000, whichever is less.
- Line 5** Add line 1 and line 4. Enter the result on line 5 and on Part K, line 8.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, you are entitled to an excess carryover of the credit until it is used or it expires five years after the credit was earned, whichever comes first.

For more information contact:

Department of Housing and Community Development
Division of Neighborhood Revitalization
2 N. Charles St., Suite 450
Baltimore, MD 21202

410-209-5800
citc.nr@mdhousing.org

PART I - ENDOW MARYLAND INCOME TAX CREDIT

A taxpayer who makes a donation to a qualified permanent endowment fund at an eligible community foundation may be eligible for a credit against the Maryland State income tax. The taxpayer must apply to the Maryland Department of Housing and Community Development (DHCD) for a certification for the donation. This certification must be attached to the Form 502CR at the time the Maryland income tax return is filed.

Individuals who are eligible to claim the Endow Maryland income tax credit, and who are not PTE members may elect to claim this credit on Part I of Form 502CR, instead of claiming the credit on Form 500CR.

However, an individual may not claim this credit on both Form 500CR and Form 502CR. PTE members who are eligible for this credit must claim the credit on Business Income Tax Credit Form 500CR.

Individuals who anticipate having a carryover of the Endow Maryland income tax credit are advised to use Form 500CR, instead of Form 502CR.

The credit is limited to 25% of the approved donation (in cash or publicly traded securities) not to exceed \$50,000.

NOTE: A copy of the required approval from the DHCD must be included with Form 502CR.

SPECIFIC INSTRUCTIONS

- Line 1** Enter the amount of excess Endow Maryland Income Tax Credit carryover from 2016.
- Line 2** Enter the amount of approved donation to a qualified permanent endowment fund.
- Line 3** Enter 25% of line 2.
- Line 4** Enter the amount from line 3 or \$50,000, whichever is less.
- Line 5** Add line 1 and line 4. Enter the result on line 5 and on Part K, line 9.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, you are entitled to an excess carryover of the credit until it is used, or it expires five years after the credit was earned, whichever comes first.

NOTE: The amount of donation shown on line 2 requires an addition to income. See Instruction 12 in the Maryland Resident Instruction Booklet.

For more information contact:

Department of Housing and Community Development
Division of Neighborhood Revitalization
2 N. Charles St., Suite 450
Baltimore, MD 21202
410-209-5800
endowmaryland.nr@maryland.gov

PART J – PRECEPTORS IN AREAS WITH HEALTH CARE WORKFORCE SHORTAGES TAX CREDIT

If you are a qualified licensed physician or a qualified nurse practitioner who served without compensation as a preceptor, you may be eligible to claim a nonrefundable credit against your State tax liability. There are two credits for qualified preceptors. The first credit on line 1 is only available for licensed physicians. The second credit on line 2 is available for both licensed physicians and nurse practitioners.

A licensed physician who served as a physician preceptor in a preceptorship program authorized by an accredited medical school in Maryland may claim a credit on line 1 in the amount of \$1,000 for each student for whom the licensed physician served as a physician preceptor without compensation. For purposes of claiming the credit on line 1, "preceptorship program" means an organized system of clinical experience that, for the purpose of attaining specified learning objectives, pairs an enrolled student of a liaison committee on medical education-accredited medical school in Maryland or an individual in a postgraduate medical training program in Maryland with a licensed physician who meets the qualifications as a preceptor. To qualify for the credit, the licensed physician must have worked in an area of Maryland identified as having a health care workforce shortage by the Department of Mental Health and Hygiene. The licensed physician must have worked a minimum of three rotations, each consisting of 160 hours of community-based clinical training. The amount of this credit may not exceed \$10,000.

A nurse practitioner or licensed physician who served as a preceptor in a preceptorship program approved by the Maryland Board of Nursing may claim a credit on line 2 in the amount of \$1,000 for each nurse practitioner student for whom the nurse practitioner or licensed physician served as a preceptor without compensation. For purposes of claiming the credit on line 2, "preceptorship program" means an organized system of clinical experience that, for the purpose of attaining specified learning objectives, pairs a nurse practitioner student enrolled in a nursing education program that is recognized by the Maryland Board of Nursing with a nurse practitioner or licensed physician who meets the qualifications as a preceptor. To qualify for the credit, a nurse practitioner or licensed physician must have worked in an area of Maryland identified as having a health care workforce shortage by the Department of Mental Health and

Hygiene. The nurse practitioner or licensed physician must have worked a minimum of three rotations, each consisting of at least 100 hours of community-based clinical training. The amount of this credit may not exceed \$10,000.

Eligibility for these credits is limited to funds budgeted. Applicants seeking certification will be approved on a first-come, first-served basis. Go to the Department of Mental Health and Hygiene website at dhmh.maryland.gov for more information.

INSTRUCTIONS

- Line 1** Enter on line 1 the amount of the tax credit certified by DHMH for a licensed physician who served as a physician preceptor in a preceptorship program, paired with enrolled student(s) of a liaison committee on medical education-accredited medical school in Maryland or an individual in a postgraduate medical training program in Maryland
- Line 2** Enter on line 2 the amount of the tax credit certified by DHMH for a nurse practitioner or licensed physician who served as a preceptor in a preceptorship program, paired with nurse practitioner student(s) enrolled in a nursing education program recognized by the Maryland Board of Nursing.
- Line 3** Add line 1 and line 2. Enter the result on line 3 and on Part K, line 10. This credit is limited to the State tax. There is no carryover to another year.

NOTE: A copy of the required certification from the Department of Health and Mental Hygiene must be included with Form 502CR.

PART K - INCOME TAX CREDIT SUMMARY

This part is to summarize Parts A through J. If the total from Part K, line 11 exceeds the state tax, the excess will not be refunded.

PART L - LOCAL TAX CREDIT SUMMARY

This part is to summarize the total local tax credit available from Part A. If the total from Part L, line 1 exceeds the local tax, the excess will not be refunded. See the Instructions to Part A for questions concerning credit claimed for taxes paid to multiple states and/or localities.

PART M - REFUNDABLE INCOME TAX CREDITS

Line 1 STUDENT LOAN DEBT RELIEF TAX CREDIT

The Student Loan Debt Relief Tax Credit may be claimed by certain qualified taxpayers in the amount certified by the Maryland Higher Education Commission. **Note: A copy of the required certification from the Maryland Higher Education Commission must be included with Form 502CR.** "Qualified taxpayer" means an individual who has incurred at least \$20,000 in undergraduate student loan debt and has at least \$5,000 in outstanding undergraduate student loan debt when submitting an application for certification to the Maryland Higher Education Commission. The amount of any tax credit approved by the Maryland Higher Education Commission may not exceed \$5,000. The refundable tax credit must be claimed against the State income tax for the taxable year in which the Maryland Higher Education Commission certifies the tax credit.

Individuals applying for certification should submit an application to the Maryland Higher Education Commission by September 15th of each year. The Maryland Higher Education Commission shall prioritize tax credit recipients and amounts based on qualified taxpayers who:

- (1) Have higher debt burden to income ratios;
- (2) Graduated from an institution of higher education located in Maryland;
- (3) Did not receive a tax credit in a prior year; or
- (4) Were eligible for in-state tuition.

Specific Instructions

Enter the amount of the certified tax credit by the Maryland Higher Education Commission on line 1.

The total amount of the credit claimed under this section shall be **recaptured** if the individual does not use the credit approved under this section for the repayment of the individual's undergraduate student loan debt within 2 years from the close of the taxable year for which the credit is claimed. The individual who claimed the credit shall pay the total amount of the credit

claimed as taxes payable to the State for the taxable year in which the event requiring **recapture** of the credit occurs.

For more information contact:

Maryland Higher Education Commission

6 North Liberty Street
Baltimore, MD 21201

Phone: (410) 767-3300 or (800) 974-0203

mhec.maryland.gov

Line 2 HERITAGE STRUCTURE REHABILITATION TAX CREDIT

See instructions for Form 502S.

Line 3 REFUNDABLE BUSINESS INCOME TAX CREDITS

NOTE: You must file your income tax return electronically to claim any of the refundable credits listed below:

See Business Tax Credit Form 500CR Instructions for qualifications for the One Maryland Economic Development Tax Credit, the Biotechnology Investment Incentive Tax Credit, the Cybersecurity Investment Incentive Tax Credit, the Health Enterprise Zone Hiring Credit, the Small Business Research & Development Tax Credit, the Clean Energy Incentive Tax Credit, the Film Production Activity Tax Credit and the Aerospace, Electronics, or Defense Contract Tax Credit. You may download instructions from our Web site at **www.marylandtaxes.gov**.

Line 4 IRC SECTION 1341 REPAYMENT CREDIT

If you repaid an amount this year reported as income on a prior year federal return that was greater than \$3,000, you may be eligible for an IRC Section 1341 Repayment credit. Attach documentation. For additional information, see Administrative Release 40.

Line 5 FLOW-THROUGH NONRESIDENT PTE TAX

If you are the beneficiary of a trust or a Qualified Subchapter S Trust for which nonresident PTE tax was paid, you may be entitled to a credit for your share of that tax. Enter the amount on this line and attach both the Maryland Schedule K-1 (504) for the trust and a copy of the Maryland Schedule K-1 (510) issued to the trust by the PTE.

If you are a member of a PTE for which nonresident tax was paid, you may be entitled to a credit for your share of that tax. Enter the amount on this line and attach Maryland Schedule K-1 (510) issued to you and to the partnership, limited liability company, or S Corporation, by the PTE.

Line 6 Add lines 1 through 5. Enter the total on the appropriate line of the income tax form being filed.