

UNDER THIS SECTION SHALL BE COMPUTED AS IF THE LIFE TENANT WERE THE ABSOLUTE OWNER OF THE PROPERTY AND SHALL BE ALLOWABLE TO THE LIFE TENANT.

(L) GAIN FROM THE SALE OR EXCHANGE OF PROPERTY, TO THE EXTENT THAT THE ADJUSTED BASIS OF THE PROPERTY IS LESS THAN ITS ADJUSTED BASIS WITHOUT REGARD TO THIS SECTION, SHALL BE CONSIDERED AS GAIN FROM THE SALE OR EXCHANGE OF PROPERTY WHICH IS NEITHER A CAPITAL ASSET NOR PROPERTY USED IN THE TRADE OR BUSINESS.

(M) IN THE CASE OF THE DEMOLITION OF A CERTIFIED HISTORIC STRUCTURE:

(1) NO DEDUCTION OTHERWISE ALLOWABLE UNDER SECTION 280(A) OF ARTICLE 81 OF THIS CODE MAY BE ALLOWED TO THE OWNER OR LESSEE OF THE STRUCTURE FOR ANY AMOUNT EXPENDED FOR THE DEMOLITION OR ANY LOSS SUSTAINED ON ACCOUNT OF THE DEMOLITION; AND

(2) AMOUNTS DESCRIBED IN PARAGRAPH (1) SHALL BE TREATED AS PROPERTY CHARGABLE TO CAPITAL ACCOUNT WITH RESPECT TO THE LAND ON WHICH THE DEMOLISHED STRUCTURE WAS LOCATED; AND

(3) FOR PURPOSES OF THIS SUBSECTION, ANY BUILDING OR OTHER STRUCTURE LOCATED IN A REGISTERED HISTORIC DISTRICT SHALL BE TREATED AS A CERTIFIED HISTORIC STRUCTURE UNLESS THE UNITED STATES SECRETARY OF THE INTERIOR HAS CERTIFIED, PRIOR TO THE DEMOLITION OF THE STRUCTURE, THAT THE STRUCTURE IS NOT OF HISTORIC SIGNIFICANCE TO THE DISTRICT.

(N) PURSUANT TO REGULATIONS PRESCRIBED BY THE STATE COMPTROLLER OR HIS DELEGATE, THE TAXPAYER MAY ELECT TO COMPUTE THE DEPRECIATION DEDUCTION ATTRIBUTABLE TO SUBSTANTIALLY REHABILITATED PROPERTY AS THOUGH THE ORIGINAL USE OF THE PROPERTY COMMENCED WITH HIM.

(O) FOR THE PURPOSE OF COMPUTING INCOME TAX DUE THE STATE OF MARYLAND, SECTION 170(F)(3) OF THE INTERNAL REVENUE CODE DOES NOT APPLY TO A CONTRIBUTION OF:

(1) A LEASE ON, OPTION TO PURCHASE, OR EASEMENT WITH RESPECT TO REAL PROPERTY OF NOT LESS THAN 30 YEARS DURATION TO AN ORGANIZATION DESCRIBED IN SECTION 170(B)(1)(A) OF THE INTERNAL REVENUE CODE EXCLUSIVELY FOR CONSERVATION PURPOSES; OR

(2) A REMAINDER INTEREST IN REAL PROPERTY WHICH IS GRANTED TO AN ORGANIZATION DESCRIBED IN SECTION 170(B)(1)(A) OF THE INTERNAL REVENUE CODE EXCLUSIVELY FOR CONSERVATION PURPOSES.