

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 7
Ways and Means

(Delegate Luedtke)

Budget and Taxation

Venison Donation Expenses - Income Tax Credit and Grant Program

This bill alters the existing venison donation income tax credit by extending eligibility to certain donations made to the Montgomery County Deer Donation Program. The bill also establishes, beginning in fiscal 2023, a Venison Donation Grant Program to be administered by the Department of Natural Resources (DNR). **The tax provisions of the bill take effect July 1, 2021, and apply to tax years 2021 and 2022.**

Fiscal Summary

State Effect: General fund revenues will decrease by a minimal amount in FY 2022 and FY 2023 due to additional tax credits claimed against the personal income tax. General fund expenditures may increase beginning in FY 2023 to provide grants.

Local Effect: Local government revenues may increase minimally beginning in FY 2023 to the extent local governments apply for grant funds. Local expenditures are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The tax credit may be claimed by a Montgomery County resident who hunts and harvests an antlerless deer in the county and donates the deer carcass or processed deer meat to the Montgomery County Deer Donation Program. Qualified expenses include the expenses incurred to (1) hunt and harvest an antlerless deer and (2) transport a deer carcass or processed deer meat.

The purpose of the Venison Donation Grant Program is to provide grants to defray the cost of butchering and processing deer that are donated to venison donation programs. Subject

to available funds, a county, municipal corporation, or nonprofit organization may apply for a grant for the costs of butchering and processing deer with a dressed weight of at least 50 pounds that are (1) hunted in compliance with State hunting laws and regulations and (2) donated to a program that provides nutritional support or food for low-income individuals or the homeless. DNR must award grants on a first-come, first-served basis.

Current Law: Chapters 172 and 173 of 2018 established a tax credit for the qualified expenses incurred to donate processed deer meat to a nonprofit venison donation program. An individual can claim a credit of up to \$50 for the expenses incurred to butcher and process an antlerless deer. In order to qualify, a hunter must comply with applicable State hunting laws and regulations. The total amount of tax credits claimed in each year may not exceed \$200, unless the tax credit is claimed pursuant to a deer that is hunted in accordance with a deer management permit. Any unused amount of the tax credit may not be carried forward to any other tax year.

Tax credits can be claimed in tax years 2018 through 2022. The tax credit program terminates June 30, 2023.

According to the Montgomery County Department of Agriculture, in recent years an average of 130 deer carcasses were donated to the Montgomery County Deer Donation Program.

State Revenues: The bill alters the venison donation tax credit in tax years 2021 and 2022. Based on the total number of deer donated in recent years, the requirements of the bill, and the value of the tax credit, revenue losses in fiscal 2022 and 2023 are expected to be minimal.

State Expenditures: The bill establishes a Venison Donation Grant Program beginning in fiscal 2023. Accordingly, general fund expenditures may increase beginning in fiscal 2023 in order to provide grants and cover administrative expenses at DNR.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Montgomery County; Comptroller's Office; Department of Natural Resources; Department of Legislative Services

Fiscal Note History: First Reader - January 19, 2021
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