

SENATE BILL 622

Q3

11r2330
CF HB 711

By: **Senator Edwards**

Introduced and read first time: January 29, 2021

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2021

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Donations to Diaper Banks and Other**
3 **Charitable Entities**

4 FOR the purpose of allowing a subtraction under the Maryland income tax for donations of
5 certain disposable diapers, certain hygiene products, and certain monetary gifts
6 made by a taxpayer during the taxable year to certain qualified charitable entities;
7 requiring the taxpayer to file certain information with the taxpayer's income tax
8 return in order to claim the subtraction; requiring the ~~Department of Human~~
9 ~~Services~~ Comptroller to adopt certain regulations; defining certain terms; providing
10 for the application of this Act; and generally relating to a subtraction under the
11 Maryland income tax for donations of diapers, hygiene products, or monetary gifts
12 to charitable entities.

13 BY repealing and reenacting, without amendments,
14 Article – Tax – General
15 Section 10–208(a) and 10–308(a)
16 Annotated Code of Maryland
17 (2016 Replacement Volume and 2020 Supplement)

18 BY adding to
19 Article – Tax – General
20 Section 10–208(y)
21 Annotated Code of Maryland
22 (2016 Replacement Volume and 2020 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,
 2 Article – Tax – General
 3 Section 10–308(b)
 4 Annotated Code of Maryland
 5 (2016 Replacement Volume and 2020 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 7 That the Laws of Maryland read as follows:

8 **Article – Tax – General**

9 10–208.

10 (a) In addition to the modification under § 10–207 of this subtitle, the amounts
 11 under this section are subtracted from the federal adjusted gross income of a resident to
 12 determine Maryland adjusted gross income.

13 (Y) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
 14 MEANINGS INDICATED.

15 ~~(II) “DEPARTMENT” MEANS THE DEPARTMENT OF HUMAN~~
 16 ~~SERVICES.~~

17 ~~(II)~~ (II) “DIAPER BANK” MEANS A NONPROFIT ORGANIZATION
 18 LOCATED IN THE STATE THAT:

19 1. IS QUALIFIED AS TAX EXEMPT UNDER § 501(C)(3) OF
 20 THE INTERNAL REVENUE CODE;

21 2. IS ESTABLISHED AND OPERATING PRIMARILY FOR
 22 THE PURPOSE OF COLLECTING OR PURCHASING DISPOSABLE DIAPERS OR OTHER
 23 HYGIENE PRODUCTS FOR INFANTS OR CHILDREN; AND

24 3. DISTRIBUTES THOSE DIAPERS OR HYGIENE
 25 PRODUCTS THROUGH SCHOOLS, HEALTH CARE FACILITIES, GOVERNMENT
 26 AGENCIES, OR OTHER NONPROFIT ENTITIES FOR EVENTUAL DISTRIBUTION TO
 27 INDIVIDUALS FREE OF CHARGE.

28 ~~(IV)~~ (III) “DONATION” MEANS AN IRREVOCABLE GIFT OF:

29 1. DISPOSABLE DIAPERS, OTHER HYGIENE PRODUCTS
 30 FOR INFANTS OR CHILDREN, OR FEMININE PERSONAL HYGIENE PRODUCTS; OR

1 2. CASH THAT IS SPECIFICALLY DESIGNATED FOR THE
2 PURCHASE OF DISPOSABLE DIAPERS, OTHER HYGIENE PRODUCTS FOR INFANTS OR
3 CHILDREN, OR FEMININE PERSONAL HYGIENE PRODUCTS.

4 ~~(VI)~~ (IV) “FEMININE PERSONAL HYGIENE PRODUCTS” MEANS
5 SANITARY PADS, TAMPONS, MENSTRUAL SPONGES, MENSTRUAL CUPS, OR OTHER
6 SIMILAR FEMININE HYGIENE PRODUCTS, WHETHER REUSABLE OR DISPOSABLE.

7 ~~(VI)~~ (V) “QUALIFIED CHARITABLE ENTITY” MEANS A DIAPER
8 BANK, HOMELESS SHELTER, DOMESTIC VIOLENCE SHELTER, RELIGIOUS
9 ORGANIZATION, OR OTHER CHARITABLE ORGANIZATION THAT HAS REGISTERED
10 WITH THE ~~DEPARTMENT~~ COMPTRROLLER AS A DISTRIBUTOR OF DISPOSABLE
11 DIAPERS, OTHER HYGIENE PRODUCTS FOR INFANTS OR CHILDREN, OR FEMININE
12 PERSONAL HYGIENE PRODUCTS.

13 (2) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE
14 SUBTRACTION ALLOWED UNDER SUBSECTION (A) OF THIS SECTION INCLUDES UP TO
15 \$1,000 OF DONATIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A
16 QUALIFIED CHARITABLE ENTITY.

17 (3) TO QUALIFY FOR THE SUBTRACTION UNDER THIS SUBSECTION,
18 THE TAXPAYER SHALL FILE WITH THE TAXPAYER’S INCOME TAX RETURN:

19 (I) THE NAME OF EACH QUALIFIED CHARITABLE ENTITY TO
20 WHICH A DONATION WAS MADE;

21 (II) PROOF OF THE VALUE OF THE DONATION; AND

22 (III) ANY OTHER INFORMATION THAT THE COMPTRROLLER
23 REQUIRES.

24 (4) THE ~~DEPARTMENT~~ COMPTRROLLER SHALL ADOPT REGULATIONS
25 TO CARRY OUT THE PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND
26 PROCEDURES FOR REGISTRATION AS A QUALIFIED CHARITABLE ENTITY.

27 10–308.

28 (a) In addition to the modification under § 10–307 of this subtitle, the amounts
29 under this section are subtracted from the federal taxable income of a corporation to
30 determine Maryland modified income.

31 (b) The subtraction under subsection (a) of this section includes the amounts
32 allowed to be subtracted for an individual under:

1 (1) § 10–208(d) of this title (Enhanced agricultural management
2 equipment expenses);

3 (2) § 10–208(i) of this title (Reforestation or timber stand expenses);

4 (3) § 10–208(k) of this title (Wage expenses for targeted jobs); [and]

5 (4) § 10–208(p) of this title (Elevator handrails in health care facilities);

6 AND

7 (5) § 10–208(Y) OF THIS TITLE (DONATIONS TO DIAPER BANKS AND
8 OTHER CHARITABLE ENTITIES).

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.