

HOUSE BILL 817

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Q3

2000 Regular Session
0lr2715
CF 0lr2685

By: **Delegate Hixson**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Donated Conservation Easement**

3 FOR the purpose of allowing a credit against the State income tax for certain
4 donations of land or an interest in land to the Maryland Environmental Trust;
5 requiring that for purposes of the credit the fair market value of a donation be
6 substantiated by a certain appraisal; limiting the amount of the credit that may
7 be allowed for any taxable year; allowing certain unused credit to be carried
8 forward and used in certain succeeding taxable years; providing an addition
9 modification for Maryland income tax purposes in the amount of the credit
10 allowed; providing for the application of this Act; and generally relating to a
11 State income tax credit for certain donations of land or an interest in land to the
12 Maryland Environmental Trust.

13 BY adding to
14 Article - Tax - General
15 Section 10-205(i) and 10-718
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 1999 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - Tax - General
20 Section 10-306(b)
21 Annotated Code of Maryland
22 (1997 Replacement Volume and 1999 Supplement)

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

1

Article - Tax - General

2 10-205.

3 (I) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE
4 AMOUNT OF A CREDIT CLAIMED UNDER § 10-718 OF THIS TITLE FOR THE DONATION
5 OF A CONSERVATION EASEMENT TO THE MARYLAND ENVIRONMENTAL TRUST.

6 10-306.

7 (b) The addition under subsection (a) of this section includes the additions
8 required for an individual under:

9 (1) § 10-205(b) of this title (Enterprise zone wage credit, employment
10 opportunity credit, and disability credit);

11 (2) § 10-205(c) of this title (Reforestation and timber stand
12 modification);

13 (3) § 10-205(e) of this title (Net operating loss modification); [and]

14 (4) § 10-205(g) of this title (Unlicensed child care facility operating
15 expenses); AND

16 (5) § 10-205(I) OF THIS TITLE (CREDIT FOR DONATION OF CONSERVATION
17 EASEMENT).

18 10-718.

19 (A) (1) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST
20 THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 50% OF THE FAIR MARKET VALUE
21 OF ANY LAND OR INTEREST IN LAND:

22 (I) DONATED TO THE MARYLAND ENVIRONMENTAL TRUST; AND

23 (II) ACCEPTED AND APPROVED BY THE BOARD OF PUBLIC WORKS.

24 (2) THE CREDIT UNDER THIS SECTION SHALL BE ALLOWED FOR THE
25 TAXABLE YEAR IN WHICH THE DONATION IS APPROVED BY THE BOARD OF PUBLIC
26 WORKS.

27 (3) THE FAIR MARKET VALUE OF A DONATION FOR WHICH A CREDIT IS
28 CLAIMED UNDER THIS SECTION SHALL BE SUBSTANTIATED BY AN APPRAISAL
29 PREPARED BY A CERTIFIED APPRAISER, AS DEFINED UNDER § 16-101 OF THE
30 BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

31 (4) FOR ANY TAXABLE YEAR, THE AMOUNT OF THE CREDIT THAT MAY BE
32 CLAIMED UNDER THIS SECTION MAY NOT EXCEED:

33 (I) \$50,000 FOR AN INDIVIDUAL; AND

1 (II) \$100,000 FOR A CORPORATION.

2 (5) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE
3 YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, AN INDIVIDUAL
4 OR CORPORATION MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE
5 INCOME FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

6 (I) THE FULL AMOUNT OF THE EXCESS IS USED; OR

7 (II) THE EXPIRATION OF THE 10TH TAXABLE YEAR AFTER THE
8 TAXABLE YEAR IN WHICH THE DONATION WAS APPROVED BY THE BOARD OF PUBLIC
9 WORKS.

10 (B) THE CREDIT UNDER THIS SECTION MAY NOT BE ALLOWED FOR
11 DEDICATIONS OF OPEN SPACE FOR THE PURPOSE OF FULFILLING DENSITY
12 REQUIREMENTS TO OBTAIN SUBDIVISION OR BUILDING PERMITS.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2000 and shall be applicable to all taxable years beginning after December
15 31, 2000.