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By: **Delegates Bartlett, Parrott, Leopold, Glassman, Edwards, DeCarlo,  
Rzepkowski, Kach, Klausmeier, Donoghue, K. Kelly, Shank, McKee, and  
Hecht**

Introduced and read first time: February 11, 2000  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Farm Employment Tax Incentives**

3 FOR the purpose of allowing a subtraction modification under the Maryland income  
4 tax for certain wages received for certain agricultural work; allowing a credit  
5 against the State income tax for certain wages paid for certain agricultural  
6 work; providing for the application of this Act; and generally relating to certain  
7 tax incentives for certain agricultural work in the State.

8 BY repealing and reenacting, without amendments,  
9 Article - Labor and Employment  
10 Section 8-207(a)(2)  
11 Annotated Code of Maryland  
12 (1999 Replacement Volume)

13 BY repealing and reenacting, without amendments,  
14 Article - Tax - General  
15 Section 10-207(a)  
16 Annotated Code of Maryland  
17 (1997 Replacement Volume and 1999 Supplement)

18 BY adding to  
19 Article - Tax - General  
20 Section 10-207(u) and 10-718  
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:

**Article - Labor and Employment**

1  
2 8-207.

3 (a) (2) "Agricultural work" includes employment for a wage that is  
4 performed:

5 (i) on a farm in connection with:

6 1. cultivating the soil; or

7 2. raising or harvesting any agricultural or horticultural  
8 commodity, including caring for, feeding, managing, raising, shearing, or training  
9 livestock, poultry, bees, furbearing animals, or wildlife;

10 (ii) for the owner, tenant, or other operator of a farm in connection  
11 with:

12 1. conserving, improving, maintaining, managing, or  
13 operating the farm or its equipment or tools; or

14 2. salvaging timber or clearing land of brush and other  
15 debris left by a hurricane if the majority of the employment is performed on a farm;

16 (iii) in connection with:

17 1. producing or harvesting an agricultural commodity as  
18 defined in § 15(g) of the Agricultural Marketing Act;

19 2. ginning cotton; or

20 3. operating or maintaining canals, ditches, reservoirs, or  
21 waterways that are not owned or operated for profit and are used exclusively for  
22 supplying and storing water for farming purposes;

23 (iv) for a farmer, group of farm operators, or cooperative in which  
24 farmers are members in drying, freezing, grading, handling, packing, planting,  
25 processing, storing or delivering to storage, market, or a carrier for transportation to  
26 market any agricultural or horticultural commodity if:

27 1. the commodity is in its unmanufactured state;

28 2. the farmer, group, or cooperative produced more than  
29 one-half of the commodity with respect to which the employment is performed; and

30 3. the employment is not performed in connection with  
31 commercial canning or commercial freezing or in connection with an agricultural or  
32 horticultural commodity after its delivery to a terminal market for distribution or  
33 consumption; and

1 (v) on a farm operated for profit if the employment is not in the  
2 course of the trade or business of the employer.

3

**Article - Tax - General**

4 10-207.

5 (a) To the extent included in federal adjusted gross income, the amounts under  
6 this section are subtracted from the federal adjusted gross income of a resident to  
7 determine Maryland adjusted gross income.

8 (U) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES  
9 20% OF THE WAGES RECEIVED BY AN INDIVIDUAL DURING THE TAXABLE YEAR FOR  
10 AGRICULTURAL WORK, AS DEFINED IN § 8-207(A) OF THE LABOR AND EMPLOYMENT  
11 ARTICLE.

12 10-718.

13 AN INDIVIDUAL OR CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE  
14 INCOME TAX IN AN AMOUNT EQUAL TO 1% OF THE WAGES PAID BY THE INDIVIDUAL  
15 OR CORPORATION DURING THE TAXABLE YEAR FOR AGRICULTURAL WORK, AS  
16 DEFINED IN § 8-207(A) OF THE LABOR AND EMPLOYMENT ARTICLE, ON A FARM  
17 LOCATED IN THE STATE.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,  
20 1999.