

HOUSE BILL 1061

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2000 Regular Session  
0lr2276

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By: **Delegates Rudolph, W. Baker, Clagett, D'Amato, McClenahan, Rosso,  
and Sophocleus**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: March 21, 2000

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CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 **Income Tax Credit - Dredge Material Research and Use**

3 FOR the purpose of providing a credit against the State income tax for certain  
4 expenses relating to research, development, and implementation of certain  
5 beneficial uses of certain dredge material; requiring the Department of the  
6 Environment to adopt certain criteria by regulation for certain purposes;  
7 providing that the income tax credit may not be carried over to other taxable  
8 years; providing for the application and termination of this Act; and generally  
9 relating to a State income tax credit and beneficial uses of dredge material.

10 BY adding to  
11 Article - Tax - General  
12 Section 10-718  
13 Annotated Code of Maryland  
14 (1997 Replacement Volume and 1999 Supplement)

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

17 **Article - Tax - General**

18 10-718.

19 (A) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE  
20 STATE INCOME TAX IN AN AMOUNT EQUAL TO 50% OF THE AMOUNT OF QUALIFYING  
21 EXPENSES THAT THE INDIVIDUAL OR CORPORATION INCURS FOR:

1 (1) RESEARCH AND DEVELOPMENT RELATED TO BENEFICIAL USES OF  
2 DREDGE MATERIAL DERIVED FROM MAINTENANCE OF SHIPPING CHANNELS IN THE  
3 CHESAPEAKE BAY; OR

4 (2) IMPLEMENTATION AND USE OF TECHNIQUES DEVELOPED UNDER  
5 ITEM (1) OF THIS SUBSECTION, INCLUDING CONSTRUCTION AND RELATED COSTS  
6 INVOLVING THE BENEFICIAL USE OF THE DREDGE MATERIAL.

7 (B) THE DEPARTMENT OF THE ENVIRONMENT SHALL ADOPT, BY  
8 REGULATION, ELIGIBILITY CRITERIA FOR THE CREDIT ALLOWED UNDER THIS  
9 SECTION, INCLUDING:

10 (1) ACCOUNTING AND REPORTING OF EXPENSES RELATING TO  
11 RESEARCH, DEVELOPMENT, IMPLEMENTATION, AND USE OF DREDGE MATERIAL  
12 UNDER THIS SUBSECTION;

13 (2) FOR RESEARCH AND DEVELOPMENT EXPENSES, REQUIREMENTS  
14 FOR THE TAXPAYER TO DEMONSTRATE A DIRECT RELATIONSHIP BETWEEN THE  
15 RESEARCH AND DEVELOPMENT ACTIVITY, AND THE FEASIBILITY AND  
16 COST-EFFECTIVENESS PROJECTED FOR THE POTENTIAL USE OF THE DREDGE  
17 MATERIAL; AND

18 (3) FOR IMPLEMENTATION AND USE OF DREDGE MATERIAL, REPORTING  
19 OF SOURCES AND DESTINATIONS OF THE DREDGE MATERIAL, AND MONITORING OF  
20 ENVIRONMENTAL IMPACTS, IF NEEDED.

21 (C) TO QUALIFY FOR THE CREDIT UNDER SUBSECTION (A) OF THIS SECTION,  
22 THE TAXPAYER SHALL FILE A STATEMENT FROM THE DEPARTMENT OF THE  
23 ENVIRONMENT CERTIFYING COMPLIANCE WITH THE REQUIREMENTS OF THIS  
24 SECTION.

25 (D) (1) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE  
26 STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR DETERMINED BEFORE THE  
27 APPLICATION OF THE CREDITS ALLOWED UNDER THIS SECTION AND §§ 10-701 AND  
28 10-701.1 OF THIS SUBTITLE BUT AFTER THE APPLICATION OF ANY OTHER CREDIT  
29 ALLOWED UNDER THIS SUBTITLE.

30 (2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY  
31 NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,  
34 1999 but before January 1, 2010. It shall remain effective for a period of 10 years and,  
35 at the end of June 30, 2010, with no further action required by the General Assembly,  
36 this Act shall be abrogated and of no further force and effect.

