

SENATE BILL 350

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Q7

2004 Regular Session
4r0946

By: **Senators Pipkin, Brinkley, Greenip, Haines, Harris, Hooper, Jacobs,
Kittleman, Mooney, and Munson**

Introduced and read first time: February 4, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Checkoff System - Tax Me More Voluntary Account**

3 FOR the purpose of establishing an Education Trust Fund; establishing a Tax Me
4 More Voluntary Account to provide individuals an opportunity for voluntary
5 payments of additional State income tax through contributions to the Account;
6 requiring the Comptroller to include on individual income tax return forms a
7 checkoff option allowing for a contribution to the Account; allowing individuals
8 to deduct a contribution from a certain refund or add the contribution to certain
9 income tax to be paid; requiring the Comptroller to collect certain contributions
10 and distribute them in a certain manner; providing for the application of this
11 Act; and generally relating to the Tax Me More Voluntary Account and an
12 income tax checkoff for a contribution to the Tax Me More Voluntary Account.

13 BY adding to
14 Article - Education
15 Section 5-201.1
16 Annotated Code of Maryland
17 (2001 Replacement Volume and 2003 Supplement)

18 BY adding to
19 Article - Tax - General
20 Section 2-112
21 Annotated Code of Maryland
22 (1997 Replacement Volume and 2003 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Tax - General
25 Section 10-804(f)
26 Annotated Code of Maryland
27 (1997 Replacement Volume and 2003 Supplement)

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

3 **Article - Education**

4 5-201.1.

5 (A) THERE IS AN EDUCATION TRUST FUND WHICH IS A SPECIAL CONTINUING,
6 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
7 PROCUREMENT ARTICLE.

8 (B) (1) AFTER MAKING THE DISTRIBUTION REQUIRED UNDER § 2-112(C)(2)
9 OF THE TAX - GENERAL ARTICLE, THE REMAINING CONTRIBUTIONS TO THE TAX ME
10 MORE VOLUNTARY ACCOUNT ESTABLISHED UNDER § 2-112 OF THE TAX - GENERAL
11 ARTICLE SHALL BE CREDITED TO THE EDUCATION TRUST FUND.

12 (2) THE MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED
13 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL
14 ACCRUE TO THE FUND.

15 (C) THE MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO OFFSET
16 THE TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR
17 CHILDREN ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN
18 THROUGH GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY
19 KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS ACT, FIRST ENACTED
20 BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

21 (D) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE MADE
22 EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.

23 **Article - Tax - General**

24 2-112.

25 (A) (1) THERE IS A TAX ME MORE VOLUNTARY ACCOUNT.

26 (2) THERE SHALL BE CREDITED TO THE ACCOUNT ALL CONTRIBUTIONS
27 UNDER THE INCOME TAX CHECKOFF SYSTEM AND ANY OTHER DONATIONS TO THE
28 ACCOUNT.

29 (B) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL INCOME
30 TAX RETURN FORM A CHECKOFF DESIGNATED AS THE "TAX ME MORE VOLUNTARY
31 ACCOUNT CONTRIBUTION".

32 (2) THE CHECKOFF SHALL STATE THAT:

33 (I) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT
34 RETURN, MAY CONTRIBUTE TO THE TAX ME MORE VOLUNTARY ACCOUNT THE
35 AMOUNT DESIGNATED BY THE INDIVIDUAL; AND

1 (II) 1. THE INDIVIDUAL SHALL DEDUCT THE AMOUNT OF THE
2 CONTRIBUTION FROM ANY REFUND TO WHICH THE INDIVIDUAL IS ENTITLED; OR

3 2. IF THE INDIVIDUAL IS NOT ENTITLED TO A REFUND, THE
4 INDIVIDUAL SHALL ADD THE AMOUNT OF THE CONTRIBUTION TO THE INCOME TAX
5 TO BE PAID WITH THE RETURN.

6 (C) THE COMPTROLLER SHALL:

7 (1) COLLECT THE CHECKOFF CONTRIBUTIONS AND ACCOUNT TO THE
8 STATE TREASURER FOR THE MONEY COLLECTED;

9 (2) FROM THE CONTRIBUTIONS COLLECTED, DISTRIBUTE THE AMOUNT
10 NECESSARY TO ADMINISTER THE CHECKOFF SYSTEM TO AN ADMINISTRATIVE COST
11 ACCOUNT; AND

12 (3) DISTRIBUTE THE REMAINING MONEY COLLECTED UNDER THIS
13 SUBSECTION TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 5-201.1 OF
14 THE EDUCATION ARTICLE.

15 10-804.

16 (f) (1) An individual may designate a contribution to the State Chesapeake
17 Bay and Endangered Species Fund, established under §§ 1-701 through 1-706 of the
18 Natural Resources Article, by the checkoff system on the return.

19 (2) AN INDIVIDUAL MAY DESIGNATE A CONTRIBUTION TO THE TAX ME
20 MORE VOLUNTARY ACCOUNT, ESTABLISHED UNDER § 2-112 OF THIS ARTICLE, BY THE
21 CHECKOFF SYSTEM ON THE RETURN.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2004, and shall be applicable to all taxable years beginning after December 31,
24 2003.