

Chapter 655

(House Bill 215)

AN ACT concerning

~~Local Government~~ Baltimore City – Investment in Our Youth (IO–YOUth)
~~Programs~~ Pilot Program

FOR the purpose of authorizing ~~a county~~ the Mayor and City Council of Baltimore to establish an Investment in Our Youth (IO–YOUth) Pilot Program; providing that ~~a~~ the Program must be established as a qualified organization eligible to receive certain contributions under a certain provision of federal law; specifying the purpose of the Program; requiring ~~a~~ the Program to provide summer jobs for certain youths by hiring them to work for ~~a certain county~~ the City of Baltimore or by providing grants to certain nonprofit organizations that will provide summer jobs; requiring ~~a county that establishes a Program~~ the Mayor and City Council of Baltimore to establish a committee to carry out the Program; requiring the Mayor and City Council of Baltimore to establish a certain procedure for the disposition of certain funds remaining in the Program under certain circumstances; specifying that a nonprofit organization must meet certain requirements to be eligible for a grant from a Program; prohibiting a nonprofit organization that receives a grant from a Program from using the grant for certain purposes; requiring ~~a county that establishes a Program~~ the Mayor and City Council of Baltimore to establish a special fund that is to be used to fund the Program; specifying that the Program is to be funded by certain funds and donations; providing that certain funds may be used only for funding the Program; authorizing an employer to make a deduction from the wage of an employee, under certain circumstances, for the benefit of a Program; requiring that a certain written request include certain information; requiring certain employers to ~~pay certain funds to the Comptroller; requiring the Comptroller to distribute to the~~ to certain counties the City of Baltimore certain funds at certain times; requiring certain employers to report certain information to certain counties the City of Baltimore at certain times; requiring ~~a county that receives certain funds~~ the Mayor and City Council of Baltimore to pay the funds into a certain special fund, ~~except under certain circumstances;~~ requiring a county that receives certain funds to divide and distribute the funds equally to certain counties under certain circumstances; specifying the amount of funds distributed to ~~a county~~ the City of Baltimore under a certain provision of this Act; ~~requiring the Comptroller to distribute, at certain times, a certain amount of certain funds to an administrative cost account; allowing an individual or a corporation a subtraction modification under the Maryland income tax equal to the amount of a donation to a Program if the donation is not allowed as a deduction under the federal income tax;~~ authorizing a county the City of Baltimore to receive certain direct donations for the benefit of a Program;

~~requiring certain counties~~ *the City of Baltimore* ~~to provide certain receipts to certain persons; providing for the construction of a certain provision of this Act; providing for the application of certain provisions of this Act;~~ defining certain terms; *providing for the termination of this Act;* and generally relating to Investment in Our Youth (IO-YOUth) Programs.

~~BY adding to~~

~~Article 24 – Political Subdivisions – Miscellaneous Provisions
Section 25-101 through 25-104 to be under the new title “Title 25. Investment
in Our Youth (IO-YOUTH) Programs”
Annotated Code of Maryland
(2011 Replacement Volume)~~

~~BY adding to~~

~~*The Charter of Baltimore City
Article II – General Powers
Section (67)
(2007 Replacement Volume, as amended)*~~

~~BY repealing and reenacting, without amendments,~~

~~Article – Tax – General
Section 10-208(a) and 10-308(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)~~

~~BY adding to~~

~~Article – Tax – General
Section 10-208(r)
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article – Tax – General
Section 10-308(b)
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)~~

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

~~Article 24 – Political Subdivisions – Miscellaneous Provisions~~

~~TITLE 25. INVESTMENT IN OUR YOUTH (IO-YOUTH) PROGRAMS.~~

~~25-101.~~

~~(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) "COMPTROLLER" MEANS THE STATE COMPTROLLER.~~

~~(C) (B) (1) "EMPLOYER" MEANS: HAS THE MEANING STATED IN § 3401 OF THE INTERNAL REVENUE CODE.~~

~~(1) (2) A PERSON ENGAGED IN A BUSINESS, AN INDUSTRY, A PROFESSION, A TRADE, OR OTHER ENTERPRISE IN THE STATE; "EMPLOYER" INCLUDES:~~

~~(2) (I) THE STATE AND ITS UNITS;~~

~~(3) (II) A COUNTY AND ITS UNITS; OR AND~~

~~(4) (III) A MUNICIPAL GOVERNMENT IN THE STATE.~~

~~(C) "NONPROFIT ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501 OF THE INTERNAL REVENUE CODE.~~

~~(D) "PROGRAM" MEANS AN INVESTMENT IN OUR YOUTH (IO YOUTH) PROGRAM.~~

~~(E) "SUMMER" MEANS THE PERIOD FROM JUNE 1 TO SEPTEMBER 30, INCLUSIVE, OF EACH YEAR.~~

~~25-102.~~

~~(A) A COUNTY MAY ESTABLISH AN INVESTMENT IN OUR YOUTH (IO YOUTH) PROGRAM.~~

~~(B) A PROGRAM SHALL BE ESTABLISHED AS A QUALIFIED ORGANIZATION ELIGIBLE TO RECEIVE TAX DEDUCTIBLE CHARITABLE CONTRIBUTIONS UNDER § 170(C) OF THE INTERNAL REVENUE CODE.~~

~~(B) (C) THE PURPOSE OF A PROGRAM IS TO PROVIDE GRANTS TO NONPROFIT ORGANIZATIONS TO PROVIDE SUMMER JOBS FOR:~~

~~(1) FOR YOUTHS WHO ARE AT LEAST 14 YEARS OLD AND NOT MORE THAN 18 YEARS OLD; AND~~

~~(2) THAT ARE RELATED TO AND IN FURTHERANCE OF THE PURPOSES OF THE NONPROFIT ORGANIZATION.~~

~~(D) A PROGRAM SHALL PROVIDE SUMMER JOBS FOR YOUTHS BY:~~~~(1) HIRING YOUTHS TO WORK DURING THE SUMMER FOR THE COUNTY THAT ESTABLISHED THE PROGRAM; OR~~~~(2) PROVIDING GRANTS TO NONPROFIT ORGANIZATIONS THAT WILL PROVIDE SUMMER JOBS FOR YOUTHS.~~~~(C) (E) A COUNTY THAT ESTABLISHES A PROGRAM SHALL ESTABLISH A COMMITTEE TO CARRY OUT THE PROGRAM.~~~~(D) (F) TO BE ELIGIBLE FOR A GRANT FROM A COUNTY'S PROGRAM, A NONPROFIT ORGANIZATION SHALL:~~~~(1) OPERATE WITHIN THE COUNTY; AND~~~~(2) MEET ANY OTHER REQUIREMENT ESTABLISHED UNDER THE PROGRAM.~~~~(E) (G) A NONPROFIT ORGANIZATION THAT RECEIVES A GRANT FROM A PROGRAM MAY NOT USE THE GRANT TO:~~~~(1) EMPLOY YOUTHS WHO DO NOT RESIDE IN THE COUNTY; OR~~~~(2) PROVIDE JOBS AT SITES THAT ARE LOCATED OUTSIDE OF THE COUNTY.~~~~25-103.~~~~(A) (1) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO REQUIRE AN EMPLOYER TO MAKE A DEDUCTION FROM THE WAGE OF AN EMPLOYEE.~~~~(2) ON WRITTEN REQUEST OF AN EMPLOYEE, AN EMPLOYER MAY MAKE A DEDUCTION FROM THE WAGE OF AN EMPLOYEE FOR THE BENEFIT OF A PROGRAM ESTABLISHED BY A COUNTY UNDER § 25-102 OF THIS TITLE.~~~~(3) THE WRITTEN REQUEST PROVIDED BY AN EMPLOYEE UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL INCLUDE:~~~~(i) THE AMOUNT OF THE DEDUCTION;~~

~~(H) THE COUNTY TO WHICH THE FUNDS SHOULD BE DISTRIBUTED UNDER SUBSECTION (C) OF THIS SECTION; AND~~

~~(H) WHETHER THE COMPTROLLER SHOULD REFUND THE FUNDS DEDUCTED FROM THE WAGE OF THE EMPLOYEE OR THE EMPLOYEE'S ACKNOWLEDGEMENT THAT THE COUNTY SPECIFIED UNDER ITEM (H) OF THIS PARAGRAPH WILL DIVIDE AND DISTRIBUTE THE FUNDS EQUALLY AMONG THE REMAINING PROGRAMS ESTABLISHED UNDER § 25-102 OF THIS TITLE IN THE EVENT THAT THE COUNTY SPECIFIED UNDER ITEM (H) OF THIS PARAGRAPH HAS ENDED THE PROGRAM.~~

~~(B) (1) AN EMPLOYER SHALL PAY:~~

~~(I) DISTRIBUTE QUARTERLY TO THE COMPTROLLER A COUNTY ANY FUNDS DEDUCTED BY THE EMPLOYER FROM THE WAGE OF AN EMPLOYEE WHO IDENTIFIED THE COUNTY UNDER SUBSECTION (A) OF THIS SECTION AS THE COUNTY TO WHICH THE FUNDS SHOULD BE DISTRIBUTED; AND~~

~~(H) REPORT QUARTERLY TO THE COUNTY TO WHICH FUNDS ARE DISTRIBUTED UNDER ITEM (I) OF THIS PARAGRAPH THE NAME, ADDRESS, AND OTHER INFORMATION PROVIDED BY THE EMPLOYEE UNDER SUBSECTION (A) OF THIS SECTION.~~

~~(2) THE AMOUNT OF FUNDS DISTRIBUTED TO A COUNTY UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL THE AMOUNT OF FUNDS DEDUCTED FROM THE WAGES OF EMPLOYEES WHO HAVE SPECIFIED THE COUNTY ON THE WRITTEN REQUEST AS PROVIDED IN SUBSECTION (A) OF THIS SECTION.~~

~~(C) (1) (I) EVERY 3 MONTHS, THE COMPTROLLER SHALL DISTRIBUTE TO THE COUNTIES THE FUNDS THAT WERE PAID TO THE COMPTROLLER UNDER SUBSECTION (B) OF THIS SECTION.~~

~~(H) A EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A COUNTY THAT RECEIVES FUNDS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SUBSECTION (B) OF THIS SECTION SHALL PAY THE FUNDS INTO THE SPECIAL FUND ESTABLISHED UNDER § 25-104 OF THIS TITLE.~~

~~(2) IF A COUNTY HAS ENDED THE PROGRAM, THE COUNTY SHALL DIVIDE AND DISTRIBUTE ANY FUNDS RECEIVED UNDER SUBSECTION (B) OF THIS SECTION EQUALLY AMONG THE REMAINING PROGRAMS ESTABLISHED UNDER § 25-102 OF THIS TITLE.~~

~~(2) THE AMOUNT OF FUNDS DISTRIBUTED TO A COUNTY UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL THE AMOUNT OF FUNDS DEDUCTED FROM THE WAGES OF EMPLOYEES WHO HAVE SPECIFIED THE COUNTY ON THE WRITTEN REQUEST AS PROVIDED IN SUBSECTION (A) OF THIS SECTION LESS ANY AMOUNT DISTRIBUTED TO AN ADMINISTRATIVE ACCOUNT UNDER PARAGRAPH (3) OF THIS SUBSECTION.~~

~~(3) EVERY 3 MONTHS, THE COMPTROLLER SHALL DISTRIBUTE, FROM THE FUNDS PAID TO THE COMPTROLLER UNDER SUBSECTION (B) OF THIS SECTION, THE AMOUNT NECESSARY TO ADMINISTER PARAGRAPH (1) OF THIS SUBSECTION IN THE PREVIOUS 3 MONTH PERIOD TO AN ADMINISTRATIVE COST ACCOUNT.~~

~~(D) A COUNTY MAY RECEIVE A DIRECT DONATION FROM A PERSON FOR THE BENEFIT OF A PROGRAM ESTABLISHED BY THE COUNTY UNDER § 25-102 OF THIS TITLE.~~

~~(E) (1) A COUNTY THAT RECEIVES FUNDS UNDER SUBSECTION (B) OR (D) OF THIS SECTION SHALL PROVIDE A RECEIPT TO:~~

~~(I) EACH EMPLOYEE WHOSE INFORMATION WAS REPORTED TO THE COUNTY BY THE EMPLOYER UNDER SUBSECTION (B) OF THIS SECTION; AND~~

~~(H) EACH PERSON FROM WHICH THE COUNTY RECEIVES A DIRECT DONATION UNDER SUBSECTION (D) OF THIS SECTION.~~

~~(2) A RECEIPT PROVIDED BY A COUNTY UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE A STATEMENT THAT THE AMOUNT OF THE DEDUCTION FROM THE EMPLOYEE'S WAGES OR THE AMOUNT OF THE DONATION IS TAX DEDUCTIBLE UNDER § 170(C) OF THE INTERNAL REVENUE CODE.~~

~~25-104.~~

~~(A) A COUNTY THAT ESTABLISHES A PROGRAM SHALL ESTABLISH A SPECIAL FUND TO BE USED TO FUND THE PROGRAM.~~

~~(B) THE PROGRAM SHALL BE FUNDED BY:~~

~~(1) FUNDS DISTRIBUTED TO A COUNTY UNDER § 25-103 OF THIS TITLE;~~

~~(2) FUNDS APPROPRIATED TO THE PROGRAM BY THE COUNTY;~~
~~AND~~

~~(3) DONATIONS RECEIVED BY THE COUNTY TO BE USED FOR THE PROGRAM.~~

~~(C) FUNDS IN THE SPECIAL FUND MAY BE USED ONLY FOR FUNDING THE PROGRAM.~~

The Charter of Baltimore City
Article II – General Powers

The Mayor and City Council of Baltimore shall have full power and authority to exercise all of the powers heretofore or hereafter granted to it by the Constitution of Maryland or by any Public General or Public Local Laws of the State of Maryland; and in particular, without limitation upon the foregoing, shall have power by ordinance, or such other method as may be provided for in its Charter, subject to the provisions of said Constitution and Public General Laws:

(67)

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) (I) “EMPLOYER” HAS THE MEANING STATED IN § 3401 OF THE INTERNAL REVENUE CODE.

(II) “EMPLOYER” INCLUDES:

- 1. THE STATE AND ITS UNITS;**
- 2. A COUNTY AND ITS UNITS; AND**
- 3. A MUNICIPAL GOVERNMENT IN THE STATE.**

(3) “NONPROFIT ORGANIZATION” MEANS AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501 OF THE INTERNAL REVENUE CODE.

(4) “PROGRAM” MEANS THE INVESTMENT IN OUR YOUTH (IO-YOUTH) PILOT PROGRAM.

(5) “SUMMER” MEANS THE PERIOD FROM JUNE 1 TO SEPTEMBER 30, INCLUSIVE, OF EACH YEAR.

(B) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY ESTABLISH AN INVESTMENT IN OUR YOUTH (IO-YOUTH) PILOT PROGRAM.

(2) THE PROGRAM SHALL BE ESTABLISHED AS A QUALIFIED ORGANIZATION ELIGIBLE TO RECEIVE TAX-DEDUCTIBLE CHARITABLE CONTRIBUTIONS UNDER § 170(C) OF THE INTERNAL REVENUE CODE.

(3) THE PURPOSE OF THE PROGRAM IS TO PROVIDE SUMMER JOBS FOR YOUTHS WHO ARE AT LEAST 14 YEARS OLD AND NOT MORE THAN 18 YEARS OLD.

(4) THE PROGRAM SHALL PROVIDE SUMMER JOBS FOR YOUTHS BY:

(I) HIRING YOUTHS TO WORK DURING THE SUMMER FOR THE CITY OF BALTIMORE; OR

(II) PROVIDING GRANTS TO NONPROFIT ORGANIZATIONS THAT WILL PROVIDE SUMMER JOBS FOR YOUTHS.

(5) THE MAYOR AND CITY COUNCIL OF BALTIMORE SHALL ESTABLISH A COMMITTEE TO CARRY OUT THE PROGRAM.

(6) THE MAYOR AND CITY COUNCIL OF BALTIMORE SHALL ESTABLISH A PROCEDURE FOR THE DISPOSITION OF ANY FUNDS REMAINING IN THE PROGRAM IN THE EVENT THAT THE PROGRAM IS TERMINATED.

(7) TO BE ELIGIBLE FOR A GRANT FROM THE PROGRAM, A NONPROFIT ORGANIZATION SHALL:

(I) OPERATE WITHIN THE CITY OF BALTIMORE; AND

(II) MEET ANY OTHER REQUIREMENT ESTABLISHED UNDER THE PROGRAM.

(8) A NONPROFIT ORGANIZATION THAT RECEIVES A GRANT FROM THE PROGRAM MAY NOT USE THE GRANT TO:

(I) EMPLOY YOUTHS WHO DO NOT RESIDE IN THE CITY OF BALTIMORE; OR

(II) PROVIDE JOBS AT SITES THAT ARE LOCATED OUTSIDE OF THE CITY OF BALTIMORE.

(C) (1) (I) NOTHING IN THIS PARAGRAPH MAY BE CONSTRUED TO REQUIRE AN EMPLOYER TO MAKE A DEDUCTION FROM THE WAGE OF AN EMPLOYEE.

(II) ON WRITTEN REQUEST OF AN EMPLOYEE, AN EMPLOYER MAY MAKE A DEDUCTION FROM THE WAGE OF AN EMPLOYEE FOR THE BENEFIT OF THE PROGRAM.

(III) THE WRITTEN REQUEST PROVIDED BY AN EMPLOYEE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL INCLUDE THE AMOUNT OF THE DEDUCTION.

(2) (I) AN EMPLOYER SHALL:

1. DISTRIBUTE QUARTERLY TO THE CITY OF BALTIMORE ANY FUNDS DEDUCTED BY THE EMPLOYER FROM THE WAGE OF AN EMPLOYEE; AND

2. REPORT QUARTERLY TO THE CITY OF BALTIMORE THE NAME, ADDRESS, AND OTHER INFORMATION PROVIDED BY THE EMPLOYEE UNDER SUBSECTION (C)(1) OF THIS SECTION.

(II) THE AMOUNT OF FUNDS DISTRIBUTED TO THE CITY OF BALTIMORE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL EQUAL THE AMOUNT OF FUNDS DEDUCTED FROM THE WAGES OF EMPLOYEES WHO HAVE SUBMITTED A WRITTEN REQUEST AS PROVIDED IN SUBSECTION (C)(1) OF THIS SECTION.

(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE MAYOR AND CITY COUNCIL OF BALTIMORE SHALL PAY THE FUNDS INTO THE SPECIAL FUND ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION.

(II) IF THE PROGRAM HAS ENDED, THE MAYOR AND CITY COUNCIL OF BALTIMORE SHALL FOLLOW THE PROCEDURE FOR THE DISPOSITION OF FUNDS REMAINING IN THE PROGRAM AS PROVIDED UNDER SUBSECTION (A)(6) OF THIS SECTION.

(4) THE CITY OF BALTIMORE MAY RECEIVE A DIRECT DONATION FROM A PERSON FOR THE BENEFIT OF THE PROGRAM.

(5) (I) THE CITY OF BALTIMORE SHALL PROVIDE A RECEIPT TO:

1. EACH EMPLOYEE WHOSE INFORMATION WAS REPORTED TO THE CITY OF BALTIMORE BY THE EMPLOYER UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND

2. EACH PERSON FROM WHICH THE CITY OF BALTIMORE RECEIVES A DIRECT DONATION UNDER PARAGRAPH (4) OF THIS SUBSECTION.

(II) A RECEIPT PROVIDED BY THE CITY OF BALTIMORE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE A STATEMENT THAT THE AMOUNT OF THE DEDUCTION FROM THE EMPLOYEE'S WAGES OR THE AMOUNT OF THE DONATION IS TAX-DEDUCTIBLE UNDER § 170(C) OF THE INTERNAL REVENUE CODE.

(D) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE SHALL ESTABLISH A SPECIAL FUND TO BE USED TO FUND THE PROGRAM.

(2) THE PROGRAM SHALL BE FUNDED BY:

(I) FUNDS DISTRIBUTED TO THE CITY OF BALTIMORE UNDER SUBSECTION (C) OF THIS SECTION;

(II) FUNDS APPROPRIATED TO THE PROGRAM BY THE MAYOR AND CITY COUNCIL OF BALTIMORE; AND

(III) DONATIONS RECEIVED BY THE CITY OF BALTIMORE TO BE USED FOR THE PROGRAM.

(3) FUNDS IN THE SPECIAL FUND MAY BE USED ONLY FOR FUNDING THE PROGRAM.

~~Article Tax General~~

~~10-208.~~

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

~~(R) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES AN AMOUNT EQUAL TO THE AMOUNT OF A DONATION TO AN INVESTMENT IN OUR YOUTH (IO-YOUTH) PROGRAM ESTABLISHED UNDER ARTICLE 24, § 25-102 OF THE CODE IF THE DONATION IS NOT ALLOWED AS A DEDUCTION UNDER § 170 OF THE INTERNAL REVENUE CODE.~~

~~10-308.~~

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

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

~~(1) § 10-208(d) of this title (Conservation tillage equipment expenses);~~

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

~~(3) § 10-208(k) of this title (Wage expenses for targeted jobs);~~

~~(4) § 10-208(m) of this title (Poultry or livestock manure spreading equipment); [and]~~

~~(5) § 10-208(p) of this title (Elevator handrails in health care facilities); AND~~

~~(6) § 10-208(r) OF THIS TITLE (DONATION TO AN INVESTMENT IN OUR YOUTH (IO-YOUTH) PROGRAM).~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That §§ 10-208(r) and 10-308(b)(6) of the Tax General Article, as enacted by Section 1 of this Act, shall be applicable to all taxable years beginning after December 31, 2011.~~

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012. *It shall remain effective for a period of 3 years and, at the end of September 30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.*

Approved by the Governor, May 22, 2012.