

SENATE BILL 345

Q3, M4

5l2502
CF 5l2602

By: **Senators Middleton and King**

Introduced and read first time: February 6, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Enhanced Agricultural Management**
3 **Equipment**

4 FOR the purpose of altering the definition of “enhanced agricultural management
5 equipment” as it relates to a subtraction modification under the Maryland income
6 tax to allow the subtraction if a certain nutrient management plan is prepared by an
7 individual with a certain certification instead of a certain license; altering the
8 definition of “enhanced agricultural management equipment” to include a certain
9 manure loading or hauling equipment and commercial fertilizer application
10 equipment; providing for the application of this Act; and generally relating to a
11 subtraction modification for certain agricultural management equipment.

12 BY repealing and reenacting, without amendments,
13 Article – Tax – General
14 Section 10–208(a) and 10–308(b)
15 Annotated Code of Maryland
16 (2010 Replacement Volume and 2014 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Tax – General
19 Section 10–208(d)
20 Annotated Code of Maryland
21 (2010 Replacement Volume and 2014 Supplement)

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

24 **Article – Tax – General**

25 10–208.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 (d) (1) In this subsection:

5 (i) “enhanced agricultural management equipment” means:

6 1. a planter or drill that:

7 A. is commonly known as a “no–till” planter or drill; and

8 B. is designed to minimize the disturbance of the soil in
9 planting crops;

10 2. liquid manure soil injection equipment that is designed to
11 inject manure into the soil to reduce nutrient runoff;

12 3. a deep no–till ripper that does not invert the soil profile
13 and is used to address compaction in high residue cropping systems;

14 4. poultry or livestock manure spreading equipment used by
15 a farm owner or tenant on farmland in accordance with a nutrient management plan
16 prepared by an individual [licensed] **CERTIFIED** by the Secretary of Agriculture in
17 accordance with Title 8, Subtitle 8 of the Agriculture Article if the manure spreading
18 equipment is used:

19 A. to spread poultry manure and bedding from normal
20 poultry production with a capability of being calibrated to 1 ton per acre; or

21 B. to apply solid or liquid livestock waste;

22 5. vertical tillage equipment used to incorporate livestock
23 manure or poultry litter into the soil;

24 6. a global positioning system device used for management of
25 agricultural nutrient applications; [and]

26 7. an integrated optical sensing and nutrient application
27 system that measures crop status and applies the crop’s nitrogen requirements at variable
28 rates based on predicted in–season yield potential for the crop and the predicted
29 responsiveness of the crop to additional nitrogen; [and]

30 **8. POULTRY OR LIVESTOCK MANURE LOADING OR**
31 **HAULING EQUIPMENT USED BY A PERSON TO TRANSPORT ANIMAL MANURE FROM A**
32 **FARM IF:**

1 **A. THE MANURE LOADING EQUIPMENT IS**
2 **NONSELF-PROPELLED WHEELED EQUIPMENT; OR**

3 **B. THE MANURE HAULING EQUIPMENT IS**
4 **NONPOWERED TRAILED UNITS CAPABLE OF SELF-UNLOADING; AND**

5 **9. COMMERCIAL FERTILIZER APPLICATION EQUIPMENT**
6 **USED BY A FARM OPERATOR THAT PREVIOUSLY USED MANURE EXCLUSIVELY AS A**
7 **FERTILIZER SOURCE; AND**

8 (ii) “enhanced agricultural management equipment” includes
9 equipment that attaches to or is pulled by equipment listed in item (i) of this paragraph.

10 (2) Except as provided in paragraph (3) of this subsection, the subtraction
11 under subsection (a) of this section includes 100% of the expenses that a taxpayer incurs to
12 buy and install enhanced agricultural management equipment if:

13 (i) the equipment has a useful life of at least 4 years;

14 (ii) the taxpayer:

15 1. bought the equipment:

16 A. after December 31, 1985, if the equipment is a planter or
17 drill;

18 B. after December 31, 1989, if the equipment is liquid
19 manure soil injection equipment;

20 C. after December 31, 1997, if the equipment is poultry or
21 livestock manure spreading equipment;

22 D. after December 31, 2001, if the equipment is a deep no-till
23 ripper that does not invert the soil profile; [or]

24 E. after December 31, 2012, if the equipment is a global
25 positioning system device used for management of agricultural nutrient applications or an
26 integrated optical sensing and nutrient application system;

27 **F. AFTER DECEMBER 31, 2014, IF THE EQUIPMENT IS**
28 **POULTRY OR LIVESTOCK MANURE LOADING OR HAULING EQUIPMENT; OR**

29 **G. AFTER DECEMBER 31, 2014, IF THE EQUIPMENT IS**
30 **COMMERCIAL FERTILIZER APPLICATION EQUIPMENT;**

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

3 (1) § 10–208(d) of this title (Enhanced agricultural management
4 equipment expenses);

5 (2) § 10–208(i) of this title (Reforestation or timber stand expenses);

6 (3) § 10–208(k) of this title (Wage expenses for targeted jobs); and

7 (4) § 10–208(p) of this title (Elevator handrails in health care facilities).

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2015, and shall be applicable to all taxable years beginning after December 31, 2014.