

HOUSE BILL 729

Q7

6lr1512

By: **Delegates Vogt, Arentz, Aumann, Beitzel, Buckel, Carozza, Ciliberti, Cluster, Fisher, Folden, Ghrist, Glass, Grammer, Hornberger, S. Howard, Jacobs, Long, McComas, McDonough, McKay, Metzgar, O'Donnell, Parrott, Shoemaker, and B. Wilson**

Introduced and read first time: February 5, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Taxation – Prohibition on Exemptions and Credits for Organizations Having**
3 **Known Ties to Terrorism**
4 **(Homegrown Terrorism Prevention Act)**

5 FOR the purpose of prohibiting a church, a religious organization, or certain other
6 organizations from claiming certain exemptions from taxation or tax credits under
7 certain circumstances; requiring the Comptroller and the State Department of
8 Assessments and Taxation to consult with the United States Department of
9 Homeland Security for certain purposes; requiring the Comptroller and the
10 Department to adopt certain regulations; making the provisions of this Act
11 severable; providing for the application of this Act; and generally relating to the
12 prohibition of certain exemptions from taxation and tax credits for certain
13 organizations.

14 BY adding to
15 Article – Tax – General
16 Section 1–401 to be under the new subtitle “Subtitle 4. Miscellaneous”
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2015 Supplement)

19 BY adding to
20 Article – Tax – Property
21 Section 1–501 to be under the new subtitle “Subtitle 5. Miscellaneous”
22 Annotated Code of Maryland
23 (2012 Replacement Volume and 2015 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Tax – General

SUBTITLE 4. MISCELLANEOUS.

1-401.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A CHURCH, A RELIGIOUS ORGANIZATION, OR ANY OTHER NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE MAY NOT CLAIM AN EXEMPTION FROM TAXATION OR A TAX CREDIT UNDER THIS ARTICLE IF, IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION, THE COMPTROLLER DETERMINES THAT THE CHURCH, RELIGIOUS ORGANIZATION, OR NONPROFIT ORGANIZATION HAS KNOWN TIES TO TERRORISM.

(B) THE COMPTROLLER SHALL CONSULT WITH THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY IN ORDER TO DETERMINE WHETHER A CHURCH, A RELIGIOUS ORGANIZATION, OR ANY OTHER NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE HAS KNOWN TIES TO TERRORISM.

(C) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

Article – Tax – Property

SUBTITLE 5. MISCELLANEOUS.

1-501.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A CHURCH, A RELIGIOUS ORGANIZATION, OR ANY OTHER NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE MAY NOT CLAIM AN EXEMPTION FROM TAXATION OR A TAX CREDIT UNDER THIS ARTICLE IF, IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION, THE DEPARTMENT AND THE COMPTROLLER DETERMINE THAT THE CHURCH, RELIGIOUS ORGANIZATION, OR NONPROFIT ORGANIZATION HAS KNOWN TIES TO TERRORISM.

(B) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL CONSULT WITH THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY IN ORDER TO DETERMINE WHETHER A CHURCH, A RELIGIOUS ORGANIZATION, OR ANY OTHER NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE HAS KNOWN TIES TO TERRORISM.

1 **(C) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ADOPT**
2 **REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
4 the application thereof to any person or circumstance is held invalid for any reason in a
5 court of competent jurisdiction, the invalidity does not affect other provisions or any other
6 application of this Act that can be given effect without the invalid provision or application,
7 and for this purpose the provisions of this Act are declared severable.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.