Q3 6lr0556 CF 6lr0587

By: Senator Simonaire

Introduced and read first time: January 15, 2016

Assigned to: Budget and Taxation

## A BILL ENTITLED

## 1 AN ACT concerning

2

## Income Tax Checkoff - Maryland Hunger Relief Fund

3 FOR the purpose of establishing a certain income tax checkoff system for voluntary 4 contributions to the Maryland Hunger Relief Fund; requiring the Comptroller to 5 include a checkoff on the individual income tax return; providing that the income tax 6 checkoff system include a certain statement; requiring the Comptroller to include 7 certain information in each individual income tax return package; requiring the 8 Comptroller to collect and account for contributions made through the checkoff system and to credit the proceeds to the Fund after deducting the amount necessary 9 to administer the checkoff system; establishing the Maryland Hunger Relief Fund as 10 11 a special, nonlapsing fund; specifying the purpose of the Fund; requiring the 12 Department of Human Resources to administer the Fund; requiring the State 13 Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; 14 15 providing for the investment of money in and expenditures from the Fund; defining 16 a certain term; providing for the application of this Act; and generally relating to an 17 income tax checkoff system for contributions to the Maryland Hunger Relief Fund.

18 BY adding to

19 Article – Human Services

20 Section 5–609

Annotated Code of Maryland

22 (2007 Volume and 2015 Supplement)

23 BY adding to

21

24 Article – Tax – General

25 Section 2–113.2

26 Annotated Code of Maryland

27 (2010 Replacement Volume and 2015 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

  Article Human Services
- 4 **5–609**.
- 5 (A) IN THIS SECTION, "FUND" MEANS THE MARYLAND HUNGER RELIEF 6 FUND.
- 7 (B) THERE IS A MARYLAND HUNGER RELIEF FUND.
- 8 (C) THE PURPOSE OF THE FUND IS TO PROVIDE MONETARY AND OTHER 9 ASSISTANCE TO ORGANIZATIONS THAT PROVIDE HUNGER RELIEF SERVICES TO 10 LOW-INCOME INDIVIDUALS.
- 11 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.
- 12 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT 13 SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.
- 14 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, 15 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.
- 16 **(F)** THE FUND CONSISTS OF:
- 17 (1) THE NET PROCEEDS FROM CONTRIBUTIONS UNDER THE INCOME
  18 TAX CHECKOFF SYSTEM ESTABLISHED UNDER § 2–113.2 OF THE TAX GENERAL
  19 ARTICLE;
- 20 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND
- 21 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR 22 THE BENEFIT OF THE FUND.
- 23 (G) THE FUND MAY BE USED ONLY TO:
- 24 (1) MAKE GRANTS TO ORGANIZATIONS THAT PROVIDE HUNGER 25 RELIEF SERVICES TO LOW-INCOME INDIVIDUALS; AND
- 26 (2) PAY THE COSTS OF ADMINISTERING THE FUND THROUGH 27 DISTRIBUTION TO AN ADMINISTRATIVE COST ACCOUNT IN THE DEPARTMENT.

- 1 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND 2 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.
- 3 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO 4 THE GENERAL FUND OF THE STATE.
- 5 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE 6 WITH THE STATE BUDGET.
- 7 (J) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT 8 INTENDED TO TAKE THE PLACE OF FUNDING THAT WOULD OTHERWISE BE 9 APPROPRIATED FOR ORGANIZATIONS THAT PROVIDE HUNGER RELIEF SERVICES TO 10 LOW-INCOME INDIVIDUALS.
- 11 Article Tax General
- 12 **2–113.2.**
- 13 (A) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL 14 INCOME TAX RETURN FORM A CHECKOFF DESIGNATED AS THE "MARYLAND 15 HUNGER RELIEF FUND CONTRIBUTION".
- 16 (2) THE CHECKOFF SHALL STATE THAT:
- 17 (I) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT
  18 RETURN, MAY CONTRIBUTE TO THE MARYLAND HUNGER RELIEF FUND THE
  19 AMOUNT DESIGNATED BY THE INDIVIDUAL IF THE INDIVIDUAL OR EACH SPOUSE IS
  20 A UNITED STATES CITIZEN OR ADMITTED FOR PERMANENT LEGAL RESIDENCE IN
- 21 THE UNITED STATES; AND
- 22 (II) 1. THE INDIVIDUAL SHALL DEDUCT THE AMOUNT OF THE 23 CONTRIBUTION FROM ANY REFUND TO WHICH THE INDIVIDUAL IS ENTITLED; OR
- 24 2. IF THE INDIVIDUAL IS NOT ENTITLED TO A REFUND, THE INDIVIDUAL SHALL ADD THE AMOUNT OF THE CONTRIBUTION TO THE INCOME
- 26 TAX TO BE PAID WITH THE RETURN.
- 27 (3) THE COMPTROLLER SHALL INCLUDE WITH THE INDIVIDUAL
- 28 INCOME TAX RETURN PACKAGE A DESCRIPTION OF THE PURPOSES FOR WHICH THE
- 29 MARYLAND HUNGER RELIEF FUND WAS ESTABLISHED AND THE PURPOSES FOR
- 30 WHICH THE FUND MAY BE USED.
- 31 **(B)** THE COMPTROLLER SHALL:

- COLLECT THE CHECKOFF CONTRIBUTIONS AND ACCOUNT TO THE 1 **(1)** 2 STATE TREASURER FOR THE MONEY COLLECTED;
- 3 **(2)** FROM THE CONTRIBUTIONS COLLECTED, DISTRIBUTE THE 4 TO **AMOUNT NECESSARY** TO ADMINISTER THE **CHECKOFF** SYSTEM AN
- 5 ADMINISTRATIVE COST ACCOUNT; AND
- 6 AFTER THE DISTRIBUTION UNDER ITEM (2) OF THIS SUBSECTION, DISTRIBUTE THE REMAINDER OF THE MONEY COLLECTED UNDER THIS SUBSECTION 7 TO THE MARYLAND HUNGER RELIEF FUND ESTABLISHED UNDER § 5-609 OF THE 8 HUMAN SERVICES ARTICLE. 9
- 10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 11 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.