

HOUSE BILL 503

B1, Q3

7lr2207
CF SB 371

By: **Delegate McIntosh**

Introduced and read first time: January 27, 2017

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Budget – Appropriations – Income Tax Revenue Estimate Cap and**
3 **Revenue Stabilization Account**

4 FOR the purpose of requiring the Bureau of Revenue Estimates, beginning with the
5 revenue estimate for a certain fiscal year, to calculate a certain share of General
6 Fund revenues represented by certain nonwithholding income tax revenues;
7 specifying how the Bureau shall make the calculation; requiring the Bureau to make
8 a certain adjustment to a certain revenue estimate relating to nonwithholding
9 income tax revenues under certain circumstances; prohibiting the adjustment made
10 by the Bureau from exceeding a certain percentage of General Fund revenues;
11 requiring the Consensus Revenue Monitoring and Forecasting Group to develop and
12 recommend to the Bureau a certain methodology for determining a certain share of
13 certain nonwithholding income tax revenues; requiring the Board of Revenue
14 Estimates to approve a certain methodology for determining a certain share of
15 certain nonwithholding income tax revenues; altering the required contents of
16 certain reports from the Bureau and the Board; altering the circumstances under
17 which the Governor is required to include certain appropriations in the budget bill
18 to the Revenue Stabilization Account; altering the amount of the appropriations to
19 the Account that the Governor is required to include under certain circumstances;
20 altering the circumstances under which the Governor is authorized to transfer funds
21 from the Account to General Fund revenues; establishing the Extraordinary
22 Nonwithholding Income Tax Revenues Fund as a special, nonlapsing fund;
23 specifying the purpose of the Fund; requiring the State Comptroller to administer
24 the Fund; requiring the State Treasurer to hold the Fund and the State Comptroller
25 to account for the Fund; specifying the contents of the Fund; specifying the purpose
26 for which the Fund may be used; providing for the investment of money in and
27 expenditures from the Fund; requiring the Governor, under certain circumstances,
28 to include in the budget bill for a certain fiscal year certain appropriations from the
29 Fund for certain purposes; requiring the State Comptroller to make certain
30 distributions of certain nonwithholding income tax revenues; defining certain terms;
31 requiring the Consensus Revenue Monitoring and Forecasting Group to study a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain methodology and, if necessary, make certain recommendations to the
 2 General Assembly on or before a certain date; and generally relating to
 3 appropriations of certain income tax revenues and appropriations to the Revenue
 4 Stabilization Account.

5 BY repealing and reenacting, with amendments,
 6 Article – State Finance and Procurement
 7 Section 6–104 through 6–106 and 7–311
 8 Annotated Code of Maryland
 9 (2015 Replacement Volume and 2016 Supplement)

10 BY adding to
 11 Article – State Finance and Procurement
 12 Section 7–329 and 7–330
 13 Annotated Code of Maryland
 14 (2015 Replacement Volume and 2016 Supplement)

15 BY repealing and reenacting, with amendments,
 16 Article – Tax – General
 17 Section 2–609
 18 Annotated Code of Maryland
 19 (2016 Replacement Volume)

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

22 **Article – State Finance and Procurement**

23 6–104.

24 **(A) (1) IN THIS SECTION, “NONWITHHOLDING INCOME TAX REVENUES”**
 25 **MEANS THE STATE SHARE OF INCOME TAX QUARTERLY ESTIMATED AND FINAL**
 26 **PAYMENTS WITH RETURNS MADE BY INDIVIDUALS, AS DEFINED IN § 10–101 OF THE**
 27 **TAX – GENERAL ARTICLE.**

28 **(2) “NONWITHHOLDING INCOME TAX REVENUES” DOES NOT**
 29 **INCLUDE:**

30 **(I) THE COUNTY SHARE OF INCOME TAX QUARTERLY**
 31 **ESTIMATED AND FINAL PAYMENTS WITH RETURNS MADE BY INDIVIDUALS;**

32 **(II) INCOME TAX PAYMENTS MADE BY CORPORATIONS;**

33 **(III) INCOME TAX REFUNDS PAID TO INDIVIDUALS OR**
 34 **CORPORATIONS; OR**

(IV) INCOME TAX WITHHOLDING.

1
2 **[(a)] (B)** (1) After the end of each fiscal year, the Bureau shall submit to the
3 Board a report that:

4 (i) contains an itemized statement of the State revenues from all
5 sources for that fiscal year; and

6 (ii) includes any recommendations of the Bureau.

7 (2) In December, March, and September of each year, the Bureau shall
8 submit to the Board a report that contains an itemized statement of the estimated State
9 revenues from all sources for the fiscal year following the fiscal year in which the report is
10 made.

11 (3) The Bureau shall provide to the Board any other information that the
12 Board requests.

13 (4) Notwithstanding any other provision of law, the reports required under
14 paragraphs (1) and (2) of this subsection shall include an itemized statement of:

15 (i) revenues or estimated revenues distributed to the
16 Transportation Trust Fund, including the motor fuel taxes imposed under Title 9, Subtitle
17 3 of the Tax – General Article and motor vehicle titling taxes imposed under Title 13,
18 Subtitle 8 of the Transportation Article; **[and]**

19 (ii) revenues from the State transfer tax imposed under Title 13,
20 Subtitle 2 of the Tax – Property Article; **AND**

21 **(III) ESTIMATED REVENUES FROM NONWITHOLDING INCOME**
22 **TAXES CALCULATED IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION.**

23 **[(b)] (C)** In addition to these reports, the Bureau shall continually conduct
24 studies of State revenue sources to:

25 (1) determine the amount of revenue produced; and

26 (2) devise and recommend new methods and sources for improved
27 efficiency, equity, and economy in production, collection, and estimation of revenue.

28 **[(c)](D)** (1) On or before December 1, 2008, and December 1 of every third
29 year thereafter, the Bureau shall submit to the Governor and, in accordance with § 2–1246
30 of the State Government Article, to the General Assembly a tax incidence study measuring
31 the burden of all the major taxes imposed by the State and how that burden is shared
32 among taxpayers of different income levels.

1 (2) The Bureau shall prepare and submit the statistics of income report
2 required under § 10–223 of the Tax – General Article.

3 **(E) (1) BEGINNING WITH THE REVENUE ESTIMATE FOR FISCAL YEAR**
4 **2020, THE BUREAU SHALL CALCULATE THE SHARE OF GENERAL FUND REVENUES**
5 **REPRESENTED BY NONWITHHOLDING INCOME TAX REVENUES IN ACCORDANCE**
6 **WITH THIS SUBSECTION.**

7 **(2) (I) FOR EACH FISCAL YEAR, THE BUREAU SHALL CALCULATE**
8 **THE 10–YEAR AVERAGE SHARE OF GENERAL FUND REVENUES REPRESENTED BY**
9 **NONWITHHOLDING INCOME TAX REVENUES.**

10 **(II) 1. FOR EACH FISCAL YEAR, THE 10–YEAR AVERAGE**
11 **SHALL USE THE 10 MOST RECENTLY COMPLETED FISCAL YEARS FOR WHICH DATA**
12 **ARE AVAILABLE WHEN THE ESTIMATE IS PREPARED IN THE SEPTEMBER BEFORE**
13 **THE BEGINNING OF THE FISCAL YEAR.**

14 **2. THE SAME 10–YEAR AVERAGE SHALL BE USED IN ALL**
15 **SUBSEQUENT REVISIONS TO THE REVENUE ESTIMATE FOR THAT FISCAL YEAR.**

16 **(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, FOR**
17 **EACH FISCAL YEAR, IF THE BUREAU’S ESTIMATE OF THE SHARE OF GENERAL FUND**
18 **REVENUES FROM NONWITHHOLDING INCOME TAX REVENUES IS ABOVE THE**
19 **10–YEAR AVERAGE SHARE, THE BUREAU SHALL ADJUST THE REVENUE ESTIMATE**
20 **BY REDUCING GENERAL FUND REVENUES FROM NONWITHHOLDING INCOME TAX**
21 **REVENUES BY AN AMOUNT SUFFICIENT TO ALIGN THE ESTIMATED SHARE OF**
22 **GENERAL FUND REVENUES FROM NONWITHHOLDING INCOME TAX REVENUES WITH**
23 **THE 10–YEAR AVERAGE SHARE OF GENERAL FUND REVENUES FROM**
24 **NONWITHHOLDING INCOME TAXES.**

25 **(II) THE ADJUSTMENT MADE UNDER SUBPARAGRAPH (I) OF**
26 **THIS PARAGRAPH MAY NOT EXCEED 2% OF TOTAL GENERAL FUND REVENUES.**

27 **(III) THE CAPPED ESTIMATE CALCULATED UNDER THIS**
28 **PARAGRAPH SHALL BE INCORPORATED IN THE REVENUE ESTIMATE THE BUREAU**
29 **SHALL REPORT TO THE BOARD IN THE REPORT REQUIRED UNDER SUBSECTION**
30 **(B)(2) OF THIS SECTION.**

31 6–105.

32 **(a) (1) In this section[,] THE FOLLOWING WORDS HAVE THE MEANINGS**
33 **INDICATED.**

1 **(2)** “Group” means the Consensus Revenue Monitoring and Forecasting
2 Group established under this section.

3 **(3) (I)** “**STATE SHARE OF NONWITHOLDING INCOME TAX**
4 **REVENUES**” MEANS THE STATE SHARE OF INCOME TAX QUARTERLY ESTIMATED AND
5 FINAL PAYMENTS WITH RETURNS MADE BY INDIVIDUALS, AS DEFINED IN § 10-101
6 OF THE TAX – GENERAL ARTICLE.

7 **(II)** “**STATE SHARE OF NONWITHOLDING INCOME TAX**
8 **REVENUES**” DOES NOT INCLUDE:

9 **1. THE COUNTY SHARE OF INCOME TAX QUARTERLY**
10 **ESTIMATED AND FINAL PAYMENTS WITH RETURNS MADE BY INDIVIDUALS;**

11 **2. INCOME TAX PAYMENTS MADE BY CORPORATIONS;**

12 **3. INCOME TAX REFUNDS PAID TO INDIVIDUALS OR**
13 **CORPORATIONS; OR**

14 **4. INCOME TAX WITHHOLDING.**

15 (b) There is a Consensus Revenue Monitoring and Forecasting Group.

16 (c) The Group consists of:

17 (1) the Chief and staff of the Bureau as designated by the Chief;

18 (2) the Deputy Comptroller with responsibility for tax administration and
19 staff as designated by the Deputy Comptroller with responsibility for tax administration;

20 (3) staff of the Office of the Treasurer as designated by the Treasurer;

21 (4) staff of the Department of Budget and Management as designated by
22 the Secretary of Budget and Management;

23 (5) staff of the Department of Transportation as designated by the
24 Secretary of Transportation; and

25 (6) staff of the Office of Policy Analysis of the Department of Legislative
26 Services as designated by the Director of the Office.

27 (d) The Chief shall chair the Group.

28 (e) The Group and its constituent units shall:

1 (1) review and analyze attainment of revenues on a monthly basis; [and]

2 (2) advise and collaborate with the Bureau:

3 (i) in the development of revenue forecasts and any necessary
4 revisions to those forecasts; and

5 (ii) in the performance of any pertinent studies or analyses as
6 requested by the Chief or as directed by the Board; AND

7 **(3) DEVELOP AND RECOMMEND TO THE BUREAU A METHODOLOGY**
8 **FOR DETERMINING THE STATE SHARE OF NONWITHOLDING INCOME TAX**
9 **REVENUES FOR EACH FISCAL YEAR.**

10 (f) To assist the Group in performing its function, the Comptroller and the
11 Bureau shall:

12 (1) within 7 calendar days after the end of each month, provide to members
13 of the Group detailed data on revenue collections; and

14 (2) before any document relating to the work of the Bureau is published,
15 provide a draft of the document to the members of the Group for review and comment.

16 6–106.

17 **(A) (1) IN THIS SECTION, “NONWITHOLDING INCOME TAX REVENUES”**
18 **MEANS THE STATE SHARE OF INCOME TAX QUARTERLY ESTIMATED AND FINAL**
19 **PAYMENTS WITH RETURNS MADE BY INDIVIDUALS, AS DEFINED IN § 10–101 OF THE**
20 **TAX – GENERAL ARTICLE.**

21 **(2) “NONWITHOLDING INCOME TAX REVENUES” DOES NOT**
22 **INCLUDE:**

23 **(I) THE COUNTY SHARE OF INCOME TAX QUARTERLY**
24 **ESTIMATED AND FINAL PAYMENTS WITH RETURNS MADE BY INDIVIDUALS;**

25 **(II) INCOME TAX PAYMENTS MADE BY CORPORATIONS;**

26 **(III) INCOME TAX REFUNDS PAID TO INDIVIDUALS OR**
27 **CORPORATIONS; OR**

28 **(IV) INCOME TAX WITHHOLDING.**

29 [(a)] (A–1) The Board shall:

1 (1) study the information that the Bureau provides; and

2 (2) consider the recommendations of the Bureau.

3 (b) (1) In December, March, and September of each year, the Board shall
4 submit to the Governor and, in accordance with § 2–1246 of the State Government Article,
5 to the General Assembly, a report that:

6 (i) contains an itemized statement of the estimated State revenues
7 from all sources for the fiscal year following the fiscal year in which the report is made; and

8 (ii) includes any recommendations of the Board.

9 (2) (i) Subject to subparagraph (ii) of this paragraph, the Governor
10 shall state the most recent estimates of revenues reported by the Board in the proposed
11 budget and any supplemental budget submitted to the General Assembly.

12 (ii) If the Governor uses different estimates of revenues in the
13 formulation of the proposed budget and any supplemental budget submitted to the General
14 Assembly than those reported by the Board, a statement providing an explanation as to the
15 differences shall be included together with those submissions.

16 **(3) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**
17 **SUBSECTION SHALL INCLUDE ESTIMATED REVENUES FROM NONWITHOLDING**
18 **INCOME TAXES CALCULATED IN ACCORDANCE WITH § 6–104(E) OF THIS SUBTITLE.**

19 **(C) THE BOARD SHALL APPROVE A METHODOLOGY FOR DETERMINING THE**
20 **STATE SHARE OF NONWITHOLDING INCOME TAX REVENUES FOR EACH FISCAL**
21 **YEAR.**

22 7–311.

23 (a) (1) In this section the following words have the meanings indicated.

24 (2) “Account” means the Revenue Stabilization Account.

25 (3) “Estimated General Fund revenues” means the estimated General
26 Fund revenues for a fiscal year stated in the report of the Board of Revenue Estimates
27 submitted to the Governor under § 6–106 of this article in December preceding the fiscal
28 year.

29 **(4) “UNAPPROPRIATED GENERAL FUND SURPLUS” DOES NOT**
30 **INCLUDE THE AMOUNT OF NONWITHOLDING INCOME TAX REVENUES THAT EXCEED**
31 **THE CAPPED ESTIMATE DETERMINED UNDER § 6–104(E) OF THIS ARTICLE.**

1 (b) The Revenue Stabilization Account is established to retain State revenues for
2 future needs and reduce the need for future tax increases by moderating revenue growth.

3 (c) The Account is a continuing, nonlapsing fund which is not subject to § 7-302
4 of this subtitle.

5 (d) The Account consists of:

6 (1) money appropriated in the State budget to the Account; and

7 (2) interest or other income earned from the investment of any portion of
8 this Account or any other account in the State Reserve Fund.

9 (e) Except as provided in subsection (f) of this section, for each fiscal year[:

10 (1) if the Account balance is below 3% of the estimated General Fund
11 revenues for that fiscal year, the Governor shall include in the budget bill an appropriation
12 to the Account equal to at least \$100,000,000; and

13 (2)], if the Account balance is [at least 3% but] less than [7.5%] **10%** of the
14 estimated General Fund revenues for that fiscal year, the Governor shall include in the
15 budget bill an appropriation to the Account equal to at least the lesser of \$50,000,000 or
16 whatever amount is required for the Account balance to exceed [7.5%] **10%** of the estimated
17 General Fund revenues for that fiscal year.

18 (f) The appropriations required by subsection (e) of this section are not required
19 when the Account balance exceeds [7.5%] **10%** of the estimated General Fund revenues.

20 (g) (1) Unless the transfer would result in an Account balance below [5%]
21 **7.5%** of the estimated General Fund revenues for the fiscal year in which the transfer is
22 made, if authorized by an act of the General Assembly or specifically authorized in the State
23 budget bill as enacted, the Governor may transfer funds from the Account to General Fund
24 revenues as necessary to support the operation of State government on a temporary basis.

25 (2) If the transfer would result in an Account balance below [5%] **7.5%** of
26 the estimated General Fund revenues for the fiscal year in which the transfer is made, the
27 Governor may transfer funds from the Account to General Fund revenues only if the
28 transfer is authorized by an act of the General Assembly other than the State budget bill.

29 (h) If the budget bill as submitted to the General Assembly includes a transfer of
30 funds from the Account pursuant to subsection (g) of this section, the budget bill as enacted
31 by the General Assembly may provide for a reduction of the amount of the transfer from
32 the Account by an amount up to the amount of the reductions made by the General
33 Assembly in the General Fund appropriations.

1 (i) Funds of the Account may only be transferred from the Account as provided
2 in this section and are not subject to transfer by budget amendment.

3 (j) (1) Except as provided in paragraph (2) of this subsection, for fiscal year
4 2007 and for each subsequent fiscal year, the Governor shall include in the budget bill an
5 appropriation:

6 (i) for each of fiscal years 2017, 2018, and 2019, to the accumulation
7 funds of the State Retirement and Pension System an amount, up to a maximum of
8 \$50,000,000, that is equal to one-half of the amount by which the unappropriated General
9 Fund surplus as of June 30 of the second preceding fiscal year exceeds \$10,000,000;

10 (ii) for fiscal year 2020:

11 1. to the accumulation funds of the State Retirement and
12 Pension System an amount, up to a maximum of \$50,000,000, that is equal to one-half of
13 the amount by which the unappropriated General Fund surplus as of June 30 of the second
14 preceding fiscal year exceeds \$10,000,000; and

15 2. to the Account equal to the amount by which the
16 unappropriated General Fund surplus as of June 30 of the second preceding fiscal year
17 exceeds \$10,000,000, less the amount of the appropriation under item 1 of this paragraph;
18 and

19 (iii) for fiscal year 2021 and each fiscal year thereafter, to the Account
20 equal to the amount by which the unappropriated General Fund surplus as of June 30 of
21 the second preceding fiscal year exceeds \$10,000,000.

22 (2) The appropriation required under this subsection for any fiscal year
23 may be reduced by the amount of any appropriation to the Account required to be included
24 for that fiscal year under subsection (e) of this section.

25 **7-329.**

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

28 (2) "FUND" MEANS THE EXTRAORDINARY NONWITHHOLDING
29 INCOME TAX REVENUES FUND ESTABLISHED UNDER § 7-330 OF THIS SUBTITLE.

30 (3) (I) "NONWITHHOLDING INCOME TAX REVENUES" MEANS THE
31 STATE SHARE OF INCOME TAX QUARTERLY ESTIMATED AND FINAL PAYMENTS WITH
32 RETURNS MADE BY INDIVIDUALS, AS DEFINED IN § 10-101 OF THE TAX - GENERAL
33 ARTICLE.

1 (II) "NONWITHHOLDING INCOME TAX REVENUES" DOES NOT
2 INCLUDE:

3 1. THE COUNTY SHARE OF INCOME TAX QUARTERLY
4 ESTIMATED AND FINAL PAYMENTS WITH RETURNS MADE BY INDIVIDUALS;

5 2. INCOME TAX PAYMENTS MADE BY CORPORATIONS;

6 3. INCOME TAX REFUNDS PAID TO INDIVIDUALS OR
7 CORPORATIONS; OR

8 4. INCOME TAX WITHHOLDING.

9 (B) AT THE END OF FISCAL YEAR 2020, AND EACH FISCAL YEAR
10 THEREAFTER, IF THE GENERAL FUND CLOSES WITH A DEFICIT, THE AMOUNT OF
11 NONWITHHOLDING INCOME TAX REVENUES THAT EXCEEDS THE CAPPED ESTIMATE
12 DETERMINED UNDER § 6-104(E) OF THIS ARTICLE SHALL BE APPLIED TO CLOSE THE
13 GAP IN REVENUES FOR THAT FISCAL YEAR.

14 (C) IF THE AMOUNT OF NONWITHHOLDING INCOME TAX REVENUES THAT
15 EXCEEDS THE CAPPED ESTIMATE DETERMINED UNDER § 6-104(E) OF THIS ARTICLE
16 EXCEEDS THE AMOUNT NECESSARY TO CLOSE THE GAP IN REVENUES UNDER
17 SUBSECTION (B) OF THIS SECTION, AND IF THE BALANCE OF THE REVENUE
18 STABILIZATION ACCOUNT UNDER § 7-311 OF THIS SUBTITLE IS LESS THAN 10% OF
19 THE ESTIMATED GENERAL FUND REVENUES FOR THAT FISCAL YEAR, THE
20 GOVERNOR SHALL INCLUDE IN THE BUDGET BILL FOR THE SECOND FOLLOWING
21 FISCAL YEAR AN APPROPRIATION FROM THE FUND TO THE ACCOUNT EQUAL TO THE
22 LESSER OF THE REMAINING BALANCE IN THE FUND OR \$50,000,000.

23 (D) IF THE AMOUNT OF NONWITHHOLDING INCOME TAX REVENUES THAT
24 EXCEEDS THE CAPPED ESTIMATE DETERMINED UNDER § 6-104(E) OF THIS ARTICLE
25 EXCEEDS THE AMOUNT THE GOVERNOR IS REQUIRED TO APPROPRIATE TO THE
26 REVENUE STABILIZATION ACCOUNT UNDER SUBSECTION (C) OF THIS SECTION, THE
27 GOVERNOR SHALL INCLUDE IN THE BUDGET BILL FOR THE SECOND FOLLOWING
28 FISCAL YEAR AN APPROPRIATION FROM THE FUND TO PAY-AS-YOU-GO CAPITAL
29 PROJECTS EQUAL TO THE LESSER OF THE REMAINING BALANCE IN THE FUND OR
30 \$100,000,000.

31 (E) IF THE AMOUNT OF NONWITHHOLDING INCOME TAX REVENUES THAT
32 EXCEEDS THE CAPPED ESTIMATE DETERMINED UNDER § 6-104(E) OF THIS ARTICLE
33 EXCEEDS THE AMOUNT THE GOVERNOR IS REQUIRED TO APPROPRIATE TO
34 PAY-AS-YOU-GO CAPITAL PROJECTS UNDER SUBSECTION (D) OF THIS SECTION, THE

1 GOVERNOR SHALL INCLUDE IN THE BUDGET BILL FOR THE SECOND FOLLOWING
2 FISCAL YEAR AN APPROPRIATION FROM THE FUND EQUAL TO:

3 (1) ONE-HALF OF THE REMAINING BALANCE IN THE FUND TO
4 PAY-AS-YOU-GO CAPITAL PROJECTS; AND

5 (2) THE LESSER OF ONE-HALF OF THE REMAINING BALANCE IN THE
6 FUND, OR WHATEVER AMOUNT IS REQUIRED FOR THE REVENUE STABILIZATION
7 ACCOUNT BALANCE TO EXCEED 10% OF THE ESTIMATED GENERAL FUND
8 REVENUES FOR THAT FISCAL YEAR, TO THE ACCOUNT.

9 (F) IF THE AMOUNT OF NONWITHHOLDING INCOME TAX REVENUES THAT
10 EXCEEDS THE CAPPED ESTIMATE DETERMINED UNDER § 6-104(E) OF THIS ARTICLE
11 EXCEEDS THE AMOUNT THE GOVERNOR IS REQUIRED TO APPROPRIATE TO THE
12 REVENUE STABILIZATION ACCOUNT AND TO PAY-AS-YOU-GO CAPITAL PROJECTS
13 UNDER SUBSECTION (E) OF THIS SECTION, THE GOVERNOR SHALL INCLUDE IN THE
14 BUDGET BILL FOR THE SECOND FOLLOWING FISCAL YEAR AN APPROPRIATION FROM
15 THE FUND EQUAL TO THE REMAINING BALANCE IN THE FUND TO THE
16 POSTRETIREMENT HEALTH BENEFITS TRUST FUND ESTABLISHED UNDER § 34-101
17 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.

18 7-330.

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

21 (2) "FUND" MEANS THE EXTRAORDINARY NONWITHHOLDING
22 INCOME TAX REVENUES FUND.

23 (3) (I) "NONWITHHOLDING INCOME TAX REVENUES" MEANS THE
24 STATE SHARE OF INCOME TAX QUARTERLY ESTIMATED AND FINAL PAYMENTS WITH
25 RETURNS MADE BY INDIVIDUALS, AS DEFINED IN § 10-101 OF THE TAX - GENERAL
26 ARTICLE.

27 (II) "NONWITHHOLDING INCOME TAX REVENUES" DOES NOT
28 INCLUDE:

29 1. THE COUNTY SHARE OF INCOME TAX QUARTERLY
30 ESTIMATED AND FINAL PAYMENTS WITH RETURNS MADE BY INDIVIDUALS;

31 2. INCOME TAX PAYMENTS MADE BY CORPORATIONS;

1 3. INCOME TAX REFUNDS PAID TO INDIVIDUALS OR
2 CORPORATIONS; OR

3 4. INCOME TAX WITHHOLDING.

4 **(B) THERE IS AN EXTRAORDINARY NONWITHHOLDING INCOME TAX**
5 **REVENUES FUND.**

6 **(C) THE PURPOSE OF THE FUND IS TO RETAIN THE AMOUNT OF**
7 **NONWITHHOLDING INCOME TAX REVENUES THAT EXCEEDS THE CAPPED ESTIMATE**
8 **DETERMINED UNDER § 6-104(E) OF THIS ARTICLE UNTIL THE REVENUES ARE**
9 **APPROPRIATED IN THE STATE BUDGET.**

10 **(D) (1) THE STATE COMPTROLLER SHALL ADMINISTER THE FUND.**

11 **(2) AFTER THE NONWITHHOLDING INCOME TAX REVENUES THAT**
12 **EXCEED THE CAPPED ESTIMATE DETERMINED UNDER § 6-104(E) OF THIS ARTICLE**
13 **ARE APPLIED TO CLOSE THE GAP IN REVENUES AT THE END OF A FISCAL YEAR IN**
14 **ACCORDANCE WITH § 7-329(B) OF THIS SUBTITLE, THE STATE COMPTROLLER**
15 **SHALL DISTRIBUTE THE REMAINING NONWITHHOLDING INCOME TAX REVENUES**
16 **INTO THE FUND.**

17 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
18 **SUBJECT TO § 7-302 OF THIS SUBTITLE.**

19 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
20 **AND THE STATE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

21 **(F) THE FUND CONSISTS OF NONWITHHOLDING INCOME TAX REVENUES**
22 **THAT EXCEED THE CAPPED ESTIMATE DETERMINED UNDER § 6-104(E) OF THIS**
23 **ARTICLE DEPOSITED INTO THE FUND BY THE STATE COMPTROLLER.**

24 **(G) THE FUND MAY BE USED ONLY IN ACCORDANCE WITH § 7-329 OF THIS**
25 **SUBTITLE.**

26 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
27 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

28 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
29 **THE GENERAL FUND OF THE STATE.**

30 **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
31 **WITH THE STATE BUDGET.**

