

# SENATE BILL 249

Q3

7lr1084

---

By: **Senator Simonaire**

Introduced and read first time: January 20, 2017

Assigned to: Budget and Taxation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Donation of Rented Equipment**

3 FOR the purpose of allowing a subtraction modification under the Maryland individual and  
4 corporate income tax for the fair market value of certain rental agreements for  
5 equipment provided at no cost to and accepted by certain entities under certain  
6 circumstances; providing that the subtraction may not exceed a certain amount;  
7 providing for the application of this Act; and generally relating to an income tax  
8 subtraction modification for certain donations of rented equipment.

9 BY repealing and reenacting, without amendments,  
10 Article – Tax – General  
11 Section 10–208(a) and 10–308(a)  
12 Annotated Code of Maryland  
13 (2016 Replacement Volume)

14 BY adding to  
15 Article – Tax – General  
16 Section 10–208(w)  
17 Annotated Code of Maryland  
18 (2016 Replacement Volume)

19 BY repealing and reenacting, with amendments,  
20 Article – Tax – General  
21 Section 10–308(b)  
22 Annotated Code of Maryland  
23 (2016 Replacement Volume)

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

26 **Article – Tax – General**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 10–208.

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

5 **(W) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
6 **SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE FAIR**  
7 **MARKET VALUE OF ANY RENTAL AGREEMENT FOR EQUIPMENT PROVIDED AT NO**  
8 **COST TO AND ACCEPTED BY AN ENTITY IN THE STATE IF:**

9 **(I) IN ACCORDANCE WITH § 11–204 OF THIS ARTICLE, THE**  
10 **RENTAL AGREEMENT FOR THE EQUIPMENT WOULD OTHERWISE BE EXEMPT FROM**  
11 **THE SALES AND USE TAX IMPOSED UNDER TITLE 11 OF THIS ARTICLE; AND**

12 **(II) THE VALUE IS NOT DEDUCTIBLE FROM FEDERAL ADJUSTED**  
13 **GROSS INCOME.**

14 **(2) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION**  
15 **MAY NOT EXCEED \$5,000 FOR ANY TAXABLE YEAR.**

16 10–308.

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

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

22 (1) § 10–208(d) of this title (Enhanced agricultural management  
23 equipment expenses);

24 (2) § 10–208(i) of this title (Reforestation or timber stand expenses);

25 (3) § 10–208(k) of this title (Wage expenses for targeted jobs); [and]

26 (4) § 10–208(p) of this title (Elevator handrails in health care facilities);

27 **AND**

28 **(5) § 10–208(w) OF THIS TITLE (DONATION OF RENTED EQUIPMENT).**

29 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect July  
30 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.