

**HB1268/765162/1**

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 1268

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and M. Washington” and substitute “M. Washington, Afzali, Hornberger, Mosby, Tarlau, A. Washington, and Wilkins”; in line 2, before “Endow” insert “Donations to Endowment Funds – Community Foundations and Historically Black Colleges and Universities”; in the same line, strike beginning with “Endow” through “Amounts”; in line 6, after “foundations;” insert “allowing a credit against the State income tax for a certain amount of donations to certain qualified permanent endowment funds at certain institutions of higher education; providing for the carryforward of the credit; requiring the Comptroller, on application of a taxpayer, to issue a tax credit certificate; requiring the application to contain certain information; requiring the Comptroller to approve applications on a first-come, first-served basis and in a timely manner; providing that the total number of applications certified by the Comptroller may not exceed a certain amount for each taxable year; providing that excess tax credits not certified during a taxable year may be carried over and certified during the next taxable year; requiring the Comptroller to adopt certain regulations; defining certain terms;”; and after line 12, insert:

“BY adding to

Article - Tax - General

Section 10-746

Annotated Code of Maryland

(2016 Replacement Volume and 2017 Supplement)”.

AMENDMENT NO. 2

On page 3, in line 16, strike “**\$1,000,000**” and substitute “**\$500,000**”.

AMENDMENT NO. 3

(Over)

HB1268/765162/1 Committee on Ways and Means  
Amendments to HB 1268  
Page 2 of 4

On page 3, after line 27, insert:

“10-746.

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

(2) “DONATION” MEANS AN IRREVOCABLE GIFT OF CASH.

(3) “INSTITUTION OF HIGHER EDUCATION” MEANS BOWIE STATE UNIVERSITY, COPPIN STATE UNIVERSITY, MORGAN STATE UNIVERSITY, OR UNIVERSITY OF MARYLAND EASTERN SHORE.

(4) “QUALIFIED PERMANENT ENDOWMENT FUND” MEANS A FUND THAT IS:

(I) HELD IN PERPETUITY BY AN INSTITUTION OF HIGHER EDUCATION; AND

(II) USED TO BENEFIT THE INSTITUTION OF HIGHER EDUCATION OR ITS STUDENTS.

(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, FOR THE TAXABLE YEAR IN WHICH A TAXPAYER MAKES A DONATION TO A QUALIFIED PERMANENT ENDOWMENT FUND AT AN INSTITUTION OF HIGHER EDUCATION, THE TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT STATED ON THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C) OF THIS SECTION.

(2) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY

TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, ANY UNUSED CREDIT MAY BE CARRIED FORWARD AND APPLIED TO SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE CREDIT IS USED.

(c) (1) ON APPLICATION BY A TAXPAYER, THE COMPTROLLER SHALL ISSUE A CREDIT CERTIFICATE IN THE AMOUNT OF 25% OF A PROPOSED DONATION TO A QUALIFIED PERMANENT ENDOWMENT FUND AT AN INSTITUTION OF HIGHER EDUCATION.

(2) THE APPLICATION SHALL CONTAIN:

(i) THE NAMES OF THE TAXPAYER, THE INSTITUTION OF HIGHER EDUCATION, AND THE QUALIFIED PERMANENT ENDOWMENT FUND TO WHICH THE DONATION WILL BE MADE;

(ii) THE TAXABLE YEAR IN WHICH THE DONATION WILL BE MADE;

(iii) THE AMOUNT OF THE DONATION; AND

(iv) ANY OTHER INFORMATION THAT THE COMPTROLLER REQUIRES.

(3) THE COMPTROLLER SHALL APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX CREDIT CERTIFICATE UNDER THIS SUBSECTION:

(i) ON A FIRST-COME, FIRST-SERVED BASIS; AND

(ii) IN A TIMELY MANNER.

(Over)

(4) (i) FOR EACH TAXABLE YEAR, THE TOTAL AMOUNT OF TAX CREDIT CERTIFICATES CERTIFIED BY THE COMPTROLLER UNDER THIS SECTION MAY NOT EXCEED \$250,000.

(ii) IF THE AGGREGATE AMOUNT OF TAX CREDIT CERTIFICATES CERTIFIED UNDER THIS SECTION DURING A TAXABLE YEAR TOTALS LESS THAN THE AMOUNT AUTHORIZED UNDER THIS PARAGRAPH, ANY EXCESS AMOUNT MAY BE CERTIFIED UNDER TAX CREDIT CERTIFICATES FOR THE NEXT TAXABLE YEAR.

(D) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES FOR APPLICATION FOR, APPROVAL OF, AND MONITORING ELIGIBILITY FOR THE TAX CREDIT AUTHORIZED UNDER THIS SECTION.”.