

HOUSE BILL 1105

Q3

0lr2546

By: **Delegates Shetty, Charkoudian, W. Fisher, R. Lewis, Mosby, and Smith**
Introduced and read first time: February 6, 2020
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Residential Composting and Pickup Services**

3 FOR the purpose of allowing an individual to claim a credit against the State income tax
4 for certain qualified expenses paid or incurred by the individual in a taxable year for
5 certain composting equipment or certain compost pickup services; providing that the
6 tax credit may be claimed only once per residence in any taxable year and may not
7 exceed a certain amount; providing that any unused credit may not be carried
8 forward to another taxable year; defining certain terms; providing for the application
9 of this Act; and generally relating to an income tax credit for expenses paid or
10 incurred for composting equipment or compost pickup services.

11 BY adding to
12 Article – Tax – General
13 Section 10–751
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2019 Supplement)

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

18 **Article – Tax – General**

19 **10–751.**

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

22 **(2) “COMPOSTING” MEANS THE CONTROLLED BIOLOGICAL**
23 **DECOMPOSITION OF ORGANIC YARD WASTE AND FOOD RESIDUALS.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 **(3) “QUALIFIED EXPENSES” MEANS EXPENSES PAID OR INCURRED BY**
2 **AN INDIVIDUAL FOR:**

3 **(I) COMPOSTING EQUIPMENT INTENDED FOR USE IN THE**
4 **INDIVIDUAL’S RESIDENCE; OR**

5 **(II) COMPOST PICKUP SERVICES FROM THE INDIVIDUAL’S**
6 **RESIDENCE FOR DELIVERY TO A COMPOSTING FACILITY.**

7 **(B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL**
8 **MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR QUALIFIED EXPENSES**
9 **INCURRED IN A TAXABLE YEAR IN AN AMOUNT EQUAL TO THE LESSER OF:**

10 **(I) THE COST OF THE QUALIFIED EXPENSES; OR**

11 **(II) \$200.**

12 **(2) FOR ANY TAXABLE YEAR, THE TAX CREDIT UNDER THIS SECTION**
13 **MAY BE CLAIMED ONLY ONCE PER RESIDENCE.**

14 **(C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**
15 **EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, ANY UNUSED CREDIT**
16 **MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.**

17 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**
18 **1, 2020, and shall be applicable to all taxable years beginning after December 31, 2019.**