

HOUSE BILL 172

Q3

2lr0318

(PRE-FILED)

By: **Delegate Luedtke**

Requested: July 7, 2021

Introduced and read first time: January 12, 2022

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2022

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – ~~Determination of Taxable Income~~ Subtraction Modification –**
3 **Union Dues ~~and Expenses to Influence Collective Bargaining~~**

4 FOR the purpose of ~~requiring an addition modification under the Maryland income tax for~~
5 ~~certain expenses to assist, promote, or deter collective bargaining;~~ allowing a
6 subtraction modification under the Maryland income tax for certain union dues paid
7 during the taxable year; and generally relating to ~~modifications~~ a subtraction
8 modification under the Maryland income tax for ~~expenses to influence collective~~
9 ~~bargaining and~~ the payment of union dues.

10 BY repealing and reenacting, without amendments,
11 Article – Tax – General
12 Section ~~10-204(a), 10-208(a), and 10-305(a)~~ 10-208(a)
13 Annotated Code of Maryland
14 (2016 Replacement Volume and 2021 Supplement)

15 BY adding to
16 Article – Tax – General
17 Section ~~10-204(m)~~ and 10-208(aa)
18 Annotated Code of Maryland
19 (2016 Replacement Volume and 2021 Supplement)

20 ~~BY repealing and reenacting, with amendments,~~
21 ~~Article – Tax – General~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~Section 10-305(d)
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)~~

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

Article – Tax – General

~~10-204.~~

~~(a) To the extent excluded from federal adjusted gross income, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.~~

~~(M) (1) (i) IN THIS SUBSECTION, “ASSIST, PROMOTE, OR DETER COLLECTIVE BARGAINING” MEANS ANY ATTEMPT BY A TAXPAYER TO INFLUENCE THE DECISIONS OF THE TAXPAYER’S EMPLOYEES TO:~~

~~1. SUPPORT OR OPPOSE AN EMPLOYEE ORGANIZATION THAT REPRESENTS OR SEEKS TO REPRESENT THE EMPLOYEES OF THE TAXPAYER; OR~~

~~2. BECOME A MEMBER OF AN EMPLOYEE ORGANIZATION.~~

~~(H) “ASSIST, PROMOTE, OR DETER COLLECTIVE BARGAINING” DOES NOT INCLUDE:~~

~~1. ADDRESSING A GRIEVANCE OR NEGOTIATING OR ADMINISTERING A COLLECTIVE BARGAINING AGREEMENT;~~

~~2. ALLOWING AN EMPLOYEE ORGANIZATION OR A REPRESENTATIVE OF AN EMPLOYEE ORGANIZATION ACCESS TO AND USE OF THE TAXPAYER’S FACILITIES OR PROPERTIES;~~

~~3. PERFORMING AN ACTIVITY REQUIRED BY FEDERAL OR STATE LAW OR A COLLECTIVE BARGAINING AGREEMENT;~~

~~4. NEGOTIATING, ENTERING INTO, OR CARRYING OUT A VOLUNTARY RECOGNITION AGREEMENT WITH AN EMPLOYEE ORGANIZATION; OR~~

~~5. PAYING WAGES TO A REPRESENTED EMPLOYEE WHILE THE EMPLOYEE IS PERFORMING DUTIES IF THE PAYMENT IS PERMITTED UNDER A COLLECTIVE BARGAINING AGREEMENT.~~

~~(2) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY AMOUNT EXPENDED DURING THE TAXABLE YEAR TO ASSIST, PROMOTE, OR DETER COLLECTIVE BARGAINING.~~

~~10-208.~~

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

(AA) (1) THE SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SUBTRACTION ALLOWED UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF UNION DUES PAID BY AN INDIVIDUAL DURING THE TAXABLE YEAR THAT WOULD HAVE BEEN ALLOWED AS A DEDUCTION UNDER § 162 OF THE INTERNAL REVENUE CODE WITHOUT REGARD TO THE LIMITATION IMPOSED BY § 67 OF THE INTERNAL REVENUE CODE.

(2) THE AMOUNT OF THE SUBTRACTION ALLOWED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED \$300 FOR ANY TAXABLE YEAR.

~~10-305.~~

~~(a) To the extent excluded from federal taxable income, the amounts under this section are added to the federal taxable income of a corporation to determine Maryland modified income.~~

~~(d) The addition under subsection (a) of this section includes the additions required for an individual under:~~

~~(1) § 10-204(b) of this title (Dividends and interest from another state or local obligation);~~

~~(2) § 10-204(e)(2) of this title (Federal tax exempt income);~~

~~(3) § 10-204(e) of this title (Oil percentage depletion allowance);~~

~~(4) § 10-204(i) of this title (Deduction for qualified production activities income);~~

~~(5) § 10-204(j) of this title (Deduction for costs for security clearance administrative expenses and construction and equipment costs incurred to construct or renovate a sensitive compartmented information facility); [and]~~

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1 ~~(6) § 10-204(l) of this title (Deduction for donations to qualified permanent~~
2 ~~endowment funds); AND~~

3 ~~(7) § 10-204(m) OF THIS TITLE (DEDUCTION FOR EXPENSES TO~~
4 ~~ASSIST, PROMOTE, OR DETER COLLECTIVE BARGAINING).~~

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.