

HOUSE BILL 490

Q3

4lr1602

By: **Delegates D. Jones, Allen, Anderton, Bagnall, Bartlett, Boaf, Ebersole, Fair, Feldmark, Forbes, Griffith, Lehman, and Mireku-North**

Introduced and read first time: January 22, 2024

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification for Donations to Diaper Banks and**
3 **Other Charitable Entities – Sunset Repeal**

4 FOR the purpose of repealing certain termination provisions relating to a subtraction under
5 the Maryland income tax for certain donations to diaper banks and other certain
6 charitable entities; and generally relating to a subtraction under the Maryland
7 income tax for donations to diaper banks and other charitable entities.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–208(a) and (z) and 10–308(a) and (b)
11 Annotated Code of Maryland
12 (2022 Replacement Volume and 2023 Supplement)

13 BY repealing and reenacting, with amendments,
14 Chapter 221 of the Acts of the General Assembly of 2021
15 Section 3

16 BY repealing and reenacting, with amendments,
17 Chapter 222 of the Acts of the General Assembly of 2021
18 Section 3

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

21 **Article – Tax – General**

22 10–208.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 (z) (1) (i) In this subsection the following words have the meanings
5 indicated.

6 (ii) “Diaper bank” means a nonprofit organization located in the
7 State that:

8 1. is qualified as tax exempt under § 501(c)(3) of the Internal
9 Revenue Code;

10 2. is established and operating primarily for the purpose of
11 collecting or purchasing disposable diapers or other hygiene products for infants or
12 children; and

13 3. distributes those diapers or hygiene products through
14 schools, health care facilities, government agencies, or other nonprofit entities for eventual
15 distribution to individuals free of charge.

16 (iii) “Donation” means an irrevocable gift of:

17 1. disposable diapers, other hygiene products for infants or
18 children, or feminine personal hygiene products; or

19 2. cash that is specifically designated for the purchase of
20 disposable diapers, other hygiene products for infants or children, or feminine personal
21 hygiene products.

22 (iv) “Feminine personal hygiene products” means sanitary pads,
23 tampons, menstrual sponges, menstrual cups, or other similar feminine hygiene products,
24 whether reusable or disposable.

25 (v) “Qualified charitable entity” means a diaper bank, homeless
26 shelter, domestic violence shelter, religious organization, or other charitable organization
27 that has registered with the Comptroller as a distributor of disposable diapers, other
28 hygiene products for infants or children, or feminine personal hygiene products.

29 (2) Subject to the limitations of this subsection, the subtraction allowed
30 under subsection (a) of this section includes up to \$1,000 of donations made by the taxpayer
31 during the taxable year to a qualified charitable entity.

32 (3) To qualify for the subtraction under this subsection, the taxpayer shall
33 file with the taxpayer’s income tax return:

1 (i) the name of each qualified charitable entity to which a donation
2 was made;

3 (ii) proof of the value of the donation; and

4 (iii) any other information that the Comptroller requires.

5 (4) The Comptroller shall adopt regulations to carry out the provisions of
6 this section, including the criteria and procedures for registration as a qualified charitable
7 entity.

8 10–308.

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

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

14 (1) § 10–208(d) of this title (Enhanced agricultural management
15 equipment expenses);

16 (2) § 10–208(i) of this title (Reforestation or timber stand expenses);

17 (3) § 10–208(k) of this title (Wage expenses for targeted jobs);

18 (4) § 10–208(p) of this title (Elevator handrails in health care facilities);

19 (5) § 10–208(z) of this title (Donations to diaper banks and other charitable
20 entities); and

21 (6) § 10–208(bb) of this title (Trade or business expenses of medical
22 cannabis grower, processor, dispensary, or any other cannabis establishment).

23 Chapter 221 of the Acts of 2021

24 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020[,
26 but before January 1, 2024. It shall remain effective for a period of 3 years and, at the end
27 of June 30, 2024, this Act, with no further action required by the General Assembly, shall
28 be abrogated and of no further force and effect].

29 Chapter 222 of the Acts of 2021

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020[,

1 but before January 1, 2024. It shall remain effective for a period of 3 years and, at the end
2 of June 30, 2024, this Act, with no further action required by the General Assembly, shall
3 be abrogated and of no further force and effect].

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
5 1, 2024.