

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1107  
Ways and Means

(Delegate Rose, *et al.*)

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Income Tax - Credit for Spaying and Neutering Dogs and Cats

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This bill establishes a refundable State income tax credit for up to \$100 of qualified expenses incurred by an individual during the tax year to spay or neuter a dog or cat owned by the individual. “Qualified expenses” are expenses incurred to spay or neuter a dog or a cat at a veterinary hospital in the State, as specified. To qualify for the credit, an individual must attach to the individual’s income tax return or otherwise file with the Comptroller proof of the qualified expenses. An individual may claim the credit once per tax year. **The bill takes effect July 1, 2024, and applies to tax year 2024 and beyond.**

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Fiscal Summary

**State Effect:** General fund revenues may decrease by more than \$3.0 million annually beginning in FY 2025. The Comptroller’s Office can administer the credit with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** State law does not provide for an income tax credit for expenses incurred to spay or neuter a dog or cat, as contemplated under the bill.

**State Revenues:** General fund revenues decrease beginning in fiscal 2025 due to credits claimed against the personal income tax. Based on an analysis of national pet adoption and

ownership statistics, the Department of Legislative Services estimates that general fund revenue losses may exceed \$3.0 million annually.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Comptroller's Office; Maryland Department of Agriculture; *Forbes Advisor*; Humane Society of the United States; American Veterinary Medical Association; American Pet Products Association; American Society for the Prevention of Cruelty to Animals; Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2024  
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