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(PRE-FILED)

HB 171/94 - W&M

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**By:** ~~Senator Munson~~ Senators Munson and Forehand

Requested: June 21, 1995

Introduced and read first time: January 10, 1996

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 14, 1996

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Breast Cancer Research Fund - Income Tax Checkoff**

3 FOR the purpose of establishing the Maryland Breast Cancer Research Fund within the  
4 Department of Health and Mental Hygiene to be used to provide grants for breast  
5 cancer research; requiring that all expenditures from the Fund be made only  
6 through an appropriation in the annual State budget or through an approved budget  
7 amendment; requiring the Secretary of Health and Mental Hygiene to adopt certain  
8 regulations; requiring the Secretary to submit a certain report each year to the  
9 General Assembly on the administration of the Fund; requiring the Comptroller to  
10 include a checkoff on individual income tax return forms for voluntary contributions  
11 to the Fund and to include certain information in each individual income tax return  
12 package; requiring the Comptroller to collect and account for contributions made  
13 through the checkoff system and to credit the proceeds to the Fund after deducting  
14 the amount necessary to administer the checkoff; providing for the termination of  
15 the income tax checkoff for the Maryland Breast Cancer Research Fund under  
16 certain circumstances; providing for the application of this Act; and generally  
17 relating to the Maryland Breast Cancer Research Fund and an income tax checkoff  
18 for contributions to the Fund.

19 BY adding to

20 Article - Health - General

21 Section 20-116

22 Annotated Code of Maryland

23 (1990 Replacement Volume and 1995 Supplement)

24 BY adding to

25 Article - Tax - General

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1 Section 2-112 and 10-804(g)  
2 Annotated Code of Maryland  
3 (1988 Volume and 1995 Supplement)

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

6 **Article - Health - General**

7 20-116.

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

10 (2) "BREAST CANCER RESEARCH" INCLUDES RESEARCH TO DEVELOP  
11 AND ADVANCE THE UNDERSTANDING OF BREAST CANCER AND THE TECHNIQUES  
12 AND MODALITIES EFFECTIVE IN THE PREVENTION, CURE, SCREENING, AND  
13 TREATMENT OF BREAST CANCER.

14 (3) "FUND" MEANS THE MARYLAND BREAST CANCER RESEARCH FUND  
15 ESTABLISHED UNDER THIS SECTION.

16 (4) "INCOME TAX CHECKOFF SYSTEM" MEANS THE CHECKOFF SYSTEM  
17 ESTABLISHED UNDER § 2-112 OF THE TAX - GENERAL ARTICLE.

18 (B) (1) THERE IS A MARYLAND BREAST CANCER RESEARCH FUND.

19 (2) THE NET PROCEEDS FROM CONTRIBUTIONS UNDER THE INCOME  
20 TAX CHECKOFF SYSTEM AND ANY OTHER DONATIONS TO THE FUND SHALL BE  
21 CREDITED TO THE FUND.

22 (3) THE SECRETARY SHALL ADMINISTER THE FUND.

23 (4) THE FUND SHALL BE USED ONLY FOR BREAST CANCER RESEARCH  
24 AS PROVIDED IN SUBSECTION (C) OF THIS SECTION.

25 (5) THE FUND SHALL BE MAINTAINED FOR THE PURPOSES STATED IN  
26 THIS SECTION AND UNSPENT PORTIONS OF THE FUND SHALL REMAIN IN THE FUND  
27 AND MAY NOT REVERT TO THE GENERAL FUND OF THE STATE.

28 (6) MONEYS EXPENDED FROM THE FUND FOR BREAST CANCER  
29 RESEARCH ARE SUPPLEMENTAL AND ARE NOT INTENDED TO TAKE THE PLACE OF  
30 FUNDING THAT WOULD OTHERWISE BE APPROPRIATED TO THE DEPARTMENT FOR  
31 BREAST CANCER RESEARCH.

32 (7) ALL EXPENDITURES FROM THE FUND SHALL BE MADE ONLY IN  
33 ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE GENERAL ASSEMBLY  
34 IN THE ANNUAL STATE BUDGET OR THROUGH AN APPROVED BUDGET AMENDMENT  
35 UNDER §§ 7-209 AND 7-210 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

36 (C) (1) THE SECRETARY MAY DISTRIBUTE NOT MORE THAN 5% OF THE NET  
37 PROCEEDS OF THE FUND TO A PROMOTIONAL ACCOUNT TO BE USED TO PROMOTE  
38 FURTHER DONATIONS TO THE FUND.

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1 (2) AFTER MAKING THE DISTRIBUTION ALLOWED UNDER PARAGRAPH  
2 (1) OF THIS SUBSECTION, THE SECRETARY SHALL USE THE REMAINDER OF THE NET  
3 PROCEEDS OF THE FUND ONLY TO PROVIDE GRANTS TO ELIGIBLE PHYSICIANS,  
4 HOSPITALS, LABORATORIES, EDUCATIONAL INSTITUTIONS, AND OTHER  
5 ORGANIZATIONS AND PERSONS TO CONDUCT BREAST CANCER RESEARCH.

6 (D) (1) ON OR BEFORE AUGUST 31 OF EACH YEAR, THE SECRETARY SHALL  
7 SUBMIT A REPORT TO THE GENERAL ASSEMBLY, PURSUANT TO § 2-1312 OF THE  
8 STATE GOVERNMENT ARTICLE, ON THE ADMINISTRATION OF THE MARYLAND  
9 BREAST CANCER RESEARCH FUND.

10 (2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE:

11 (I) THE GROSS AMOUNT OF DONATIONS TO THE FUND THROUGH  
12 THE INCOME TAX CHECKOFF SYSTEM AND OTHERWISE;

13 (II) THE COSTS OF ADMINISTRATION BY THE COMPTROLLER OF  
14 THE INCOME TAX CHECKOFF SYSTEM;

15 (III) A DESCRIPTION OF PROMOTIONAL EFFORTS UNDERTAKEN  
16 WITH MONEY FROM THE FUND; AND

17 (IV) A DETAILED ACCOUNTING OF THE USE OF THE FUND.

18 (E) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT A BREAST  
19 CANCER RESEARCH GRANT PROGRAM UNDER THIS SECTION.

20 **Article - Tax - General**

21 2-112.

22 (A) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL INCOME  
23 TAX RETURN FORM A CHECKOFF DESIGNATED AS THE "MARYLAND BREAST  
24 CANCER RESEARCH FUND CONTRIBUTION".

25 (2) THE CHECKOFF SHALL STATE THAT:

26 (I) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT  
27 RETURN, MAY CONTRIBUTE TO THE MARYLAND BREAST CANCER RESEARCH FUND  
28 THE AMOUNT DESIGNATED BY THE INDIVIDUAL; AND

29 (II) 1. THE INDIVIDUAL SHALL DEDUCT THE AMOUNT OF THE  
30 CONTRIBUTION FROM ANY REFUND TO WHICH THE INDIVIDUAL IS ENTITLED; OR

31 2. IF THE INDIVIDUAL IS NOT ENTITLED TO A REFUND, THE  
32 INDIVIDUAL SHALL ADD THE AMOUNT OF THE CONTRIBUTION TO THE INCOME TAX  
33 TO BE PAID WITH THE RETURN.

34 (3) THE COMPTROLLER SHALL INCLUDE, WITH THE INDIVIDUAL  
35 INCOME TAX RETURN PACKAGE, A DESCRIPTION OF THE PURPOSES FOR WHICH THE  
36 MARYLAND BREAST CANCER RESEARCH FUND WAS ESTABLISHED AND THE  
37 PURPOSES FOR WHICH THE FUND MAY BE USED.

38 (B) THE COMPTROLLER SHALL:

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1 (1) COLLECT THE CHECKOFF CONTRIBUTIONS AND ACCOUNT TO THE  
2 STATE TREASURER FOR THE MONEY COLLECTED;

3 (2) FROM THE CONTRIBUTIONS COLLECTED, DISTRIBUTE THE AMOUNT  
4 NECESSARY TO ADMINISTER THE CHECKOFF SYSTEM TO AN ADMINISTRATIVE COST  
5 ACCOUNT; AND

6 (3) AFTER THE DISTRIBUTION UNDER ITEM (2) OF THIS SUBSECTION,  
7 DISTRIBUTE THE REMAINDER OF THE MONEY COLLECTED UNDER THIS  
8 SUBSECTION TO THE MARYLAND BREAST CANCER RESEARCH FUND ESTABLISHED  
9 UNDER § 20-116 OF THE HEALTH - GENERAL ARTICLE.

10 (C) FOR ANY TAXABLE YEAR, IF THE NET PROCEEDS CONTRIBUTED TO THE  
11 MARYLAND BREAST CANCER RESEARCH FUND THROUGH THE INCOME TAX  
12 CHECKOFF ARE NOT MORE THAN ~~\$200,000~~ \$100,000, THE COMPTROLLER SHALL  
13 REMOVE THE CHECKOFF FOR THE FUND FROM THE INCOME TAX RETURN FORM  
14 FOR THE NEXT TAXABLE YEAR AND SUBSEQUENT TAXABLE YEARS.

15 10-804.

16 (G) AN INDIVIDUAL MAY DESIGNATE A CONTRIBUTION TO THE MARYLAND  
17 BREAST CANCER RESEARCH FUND, ESTABLISHED UNDER § 20-116 OF THE HEALTH -  
18 GENERAL ARTICLE, BY THE CHECKOFF SYSTEM ON THE RETURN.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,  
21 1995.