
By: Delegates Cryor, Mossburg, Rzepkowski, Ports, Harkins, and Walkup

Introduced and read first time: January 31, 1997

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credit for Computers Donated to Employees with Children**

3 FOR the purpose of allowing certain credits against the State income tax, insurance
4 premiums tax, financial institution franchise tax, and public service company
5 franchise tax in a certain amount for each computer donated by an employer to an
6 employee with children; providing for the carryover of unused credit if the credit
7 exceeds the total tax otherwise payable for a taxable year; providing for the
8 application of this Act; and generally relating to a tax credit against the State
9 income tax, financial institution franchise tax, public service company franchise tax,
10 and insurance premiums tax for computers donated to employees with children.

11 BY adding to

12 Article - Tax - General
13 Section 8-216, 8-413, and 10-708
14 Annotated Code of Maryland
15 (1988 Volume and 1996 Supplement)

16 BY adding to

17 Article - Insurance
18 Section 6-115
19 Annotated Code of Maryland
20 (1995 Volume and 1996 Supplement)
21 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

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

24 **Article - Tax - General**

25 8-216.

26 A FINANCIAL INSTITUTION MAY CLAIM A CREDIT AGAINST THE FINANCIAL
27 INSTITUTION FRANCHISE TAX FOR COMPUTERS DONATED TO EMPLOYEES WITH
28 CHILDREN AS PROVIDED UNDER § 10-708 OF THIS ARTICLE.

2

1 8-413.

2 A PUBLIC SERVICE COMPANY MAY CLAIM A CREDIT AGAINST THE PUBLIC
3 SERVICE COMPANY FRANCHISE TAX FOR COMPUTERS DONATED TO EMPLOYEES
4 WITH CHILDREN AS PROVIDED UNDER § 10-708 OF THIS ARTICLE.

5 10-708.

6 (A) AN EMPLOYER MAY CLAIM A TAX CREDIT IN AN AMOUNT EQUAL TO \$50
7 FOR EACH COMPUTER THAT THE EMPLOYER DONATES DURING THE TAXABLE
8 YEAR TO AN EMPLOYEE WHO HAS CHILDREN.

9 (B) (1) AN INDIVIDUAL OR CORPORATION MAY APPLY THE CREDIT
10 ALLOWED UNDER SUBSECTION (A) OF THIS SECTION AGAINST THE INCOME TAX.

11 (2) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER §
12 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT UNDER
13 THIS SECTION AGAINST INCOME TAX DUE ON UNRELATED BUSINESS TAXABLE
14 INCOME AS PROVIDED UNDER §§ 10-304 AND 10-812 OF THIS TITLE.

15 (C) (1) IF THE EMPLOYER IS SUBJECT TO MORE THAN ONE TAX AGAINST
16 WHICH THE CREDIT ALLOWED UNDER THIS SECTION MAY BE APPLIED, THE SAME
17 CREDIT MAY NOT BE APPLIED MORE THAN ONCE AGAINST DIFFERENT TAXES.

18 (2) IF THE CREDIT ALLOWED UNDER THIS SUBSECTION IN ANY
19 TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE EMPLOYER
20 FOR THAT TAXABLE YEAR, THE EMPLOYER MAY APPLY THE EXCESS AS A CREDIT
21 FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

22 (I) THE FULL AMOUNT OF THE EXCESS IS USED; OR

23 (II) THE EXPIRATION OF THE FIFTH TAXABLE YEAR AFTER THE
24 TAXABLE YEAR IN WHICH THE COMPUTER WAS DONATED.

25 **Article - Insurance**

26 6-115.

27 AN INSURER MAY CLAIM A CREDIT AGAINST THE PREMIUM TAX FOR
28 COMPUTERS DONATED TO EMPLOYEES WITH CHILDREN AS PROVIDED UNDER §
29 10-708 OF THIS ARTICLE.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 1997 and shall be applicable to all taxable years beginning after December 31,
32 1997.