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Introduced and read first time: January 31, 1997

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 1997

CHAPTER _____

1 AN ACT concerning

2 ~~Election Law—Fair Campaign Financing Fund— Joint Committee on Checkoffs and~~
3 ~~Designation of Income Tax Payments by Individuals~~

4 FOR the purpose of ~~requiring the Comptroller to establish a system that allows certain~~
5 ~~individual taxpayers to designate that certain income tax revenues be distributed to~~
6 ~~the Fair Campaign Financing Fund; and generally relating to a system that allows~~
7 ~~certain individual taxpayers to designate that certain income tax revenues be~~
8 ~~distributed to the Fair Campaign Financing Fund establishing a Joint Committee on~~
9 ~~Checkoffs and Designation of Income Tax Payments by Individuals; establishing the~~
10 ~~membership, duties, purposes, and staffing of the Joint Committee; requiring the~~
11 ~~Joint Committee to submit a certain report to certain persons by a certain date;~~
12 ~~providing for the effective date of this Act; and providing for the termination of the~~
13 ~~provisions of this Act.~~

14 ~~BY repealing and reenacting, without amendments,~~
15 ~~Article 33—Election Code~~
16 ~~Section 31-4(a)~~
17 ~~Annotated Code of Maryland~~
18 ~~(1993 Replacement Volume and 1996 Supplement)~~

19 ~~BY repealing and reenacting, with amendments,~~
20 ~~Article 33—Election Code~~
21 ~~Section 31-9~~
22 ~~Annotated Code of Maryland~~

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1 ~~(1993 Replacement Volume and 1996 Supplement)~~

2 ~~BY repealing and reenacting, with amendments,~~

3 ~~Article — Tax — General~~

4 ~~Section 2-609~~

5 ~~Annotated Code of Maryland~~

6 ~~(1988 Volume and 1996 Supplement)~~

7 BY adding to

8 Article - State Government

9 Section 2-10A-05

10 Annotated Code of Maryland

11 (1995 Replacement Volume and 1996 Supplement)

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

14 ~~**Article 33—Election Code**~~

15 ~~31-4.~~

16 ~~(a) (1) There is established the "Fair Campaign Financing Fund" which shall be~~
17 ~~administered by the Comptroller in accordance with the provisions of § 31-9 of this~~
18 ~~subtitle.~~

19 ~~(2) The Comptroller shall credit to the Fund all money collected pursuant to~~
20 ~~these provisions.~~

21 ~~31-9.~~

22 ~~(a) (1) For the taxable year beginning January 1, 1995 and each taxable year~~
23 ~~thereafter, for every individual other than a nonresident alien filing a personal State~~
24 ~~income tax return, the Comptroller shall establish a tax add-on system that allows~~
25 ~~contributions to the Fair Campaign Financing Fund not to exceed \$500 per tax filer.~~

26 ~~(2) In accordance with the provisions of this subtitle, the Comptroller shall:~~

27 ~~(i) Credit to the Fund all money collected pursuant to these~~
28 ~~provisions; and~~

29 ~~(ii) Make disbursements from the Fund promptly upon receipt of an~~
30 ~~authorized request from the State Administrative Board of Election Laws.~~

31 ~~(B) IN ADDITION TO THE TAX ADD-ON SYSTEM ESTABLISHED UNDER~~
32 ~~SUBSECTION (A) OF THIS SECTION, FOR THE TAXABLE YEAR BEGINNING JANUARY 1,~~
33 ~~1997 AND EACH TAXABLE YEAR THEREAFTER, THE COMPTROLLER SHALL~~
34 ~~ESTABLISH A SYSTEM THAT ALLOWS:~~

35 ~~(1) EVERY INDIVIDUAL, OTHER THAN A NONRESIDENT ALIEN, WHOSE~~
36 ~~INCOME TAX LIABILITY FOR THE TAXABLE YEAR IS \$3 OR MORE TO DESIGNATE~~
37 ~~THAT \$3 OF THE INCOME TAX REVENUE FROM INDIVIDUALS SHALL BE~~
38 ~~DISTRIBUTED TO THE FUND; AND~~

1 ~~(2) IN THE CASE OF A JOINT RETURN OF A HUSBAND AND WIFE HAVING~~
2 ~~AN INCOME TAX LIABILITY OF \$6 OR MORE, EACH SPOUSE TO DESIGNATE THAT \$3~~
3 ~~OF THE INCOME TAX REVENUE FROM INDIVIDUALS SHALL BE DISTRIBUTED TO THE~~
4 ~~FUND.~~

5 ~~{(b)} (C) The Comptroller shall administer the Fund and invest the money in the~~
6 ~~Fund, subject to the usual investing procedures for State funds.~~

7 **~~Article - Tax - General~~**

8 ~~2-609.~~

9 After making the distributions required under §§ 2-604 through 2-608.1 of this
10 subtitle, the Comptroller shall distribute:

11 ~~(1) THE AMOUNTS DESIGNATED UNDER ARTICLE 33, § 31-9(B) OF THE~~
12 ~~CODE TO THE FAIR CAMPAIGN FINANCING FUND; AND~~

13 ~~(2) [the] THE remaining income tax revenue from individuals to the~~
14 ~~General Fund of the State.~~

15 **Article - State Government**

16 2-10A-05.

17 (A) THERE IS A JOINT COMMITTEE ON CHECKOFFS AND DESIGNATION OF
18 INCOME TAX PAYMENTS BY INDIVIDUALS.

19 (B) THE JOINT COMMITTEE CONSISTS OF THE FOLLOWING 10 MEMBERS:

20 (1) FIVE MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY THE
21 PRESIDENT OF THE SENATE; AND

22 (2) FIVE MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY THE
23 SPEAKER OF THE HOUSE.

24 (C) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
25 SHALL EACH SELECT A CO-CHAIRMAN FROM THE MEMBERS OF THE JOINT
26 COMMITTEE.

27 (D) THE JOINT COMMITTEE SHALL EXAMINE:

28 (1) THE USE OF INCOME TAX CHECKOFFS FOR MARYLAND TAXES AND
29 IN OTHER STATES;

30 (2) THE DESIGNATION OF INCOME TAX PAYMENTS BY INDIVIDUALS
31 FOR SPECIFIED PURPOSES IN MARYLAND AND OTHER STATES;

32 (3) THE FEASIBILITY OF PERMITTING MARYLAND TAXPAYERS TO
33 DESIGNATE AN AMOUNT TO BE USED FOR THE FAIR CAMPAIGN FINANCING FUND
34 ESTABLISHED UNDER ARTICLE 33, § 31-4 OF THE CODE;

35 (4) THE FISCAL IMPACT OF PERMITTING ADDITIONAL CHECKOFFS OR
36 THE DESIGNATION OF TAX MONEY FOR CERTAIN PURPOSES; AND

1 (5) THE POTENTIAL IMPACT THAT ADDITIONAL CHECKOFFS OR THE
2 DESIGNATION OF TAX MONEY FOR CERTAIN PURPOSES WOULD HAVE ON EXISTING
3 CHECKOFFS.

4 (E) ON OR BEFORE DECEMBER 1, 1997, THE JOINT COMMITTEE SHALL SUBMIT
5 A FINAL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1312 OF THE STATE
6 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

7 (F) THE DEPARTMENT OF FISCAL SERVICES SHALL PROVIDE PRIMARY STAFF
8 SUPPORT TO THE JOINT COMMITTEE WITH ASSISTANCE FROM THE OFFICE OF THE
9 COMPTROLLER.

10 (G) THE JOINT COMMITTEE SHALL TERMINATE AND THIS SECTION SHALL BE
11 NULL AND VOID AFTER JUNE 30, 1998 WITH NO FURTHER ACTION REQUIRED BY THE
12 GENERAL ASSEMBLY.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 ~~October~~ June 1, 1997.