
By: Senator Della

Introduced and read first time: January 17, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Income Tax - Credit for Federal Harbor Maintenance Tax Paid**

3 FOR the purpose of allowing an individual or a corporation a credit against the State
4 income tax for certain harbor maintenance tax paid to the federal government
5 during the taxable year; providing for the carryforward of unused credit if the
6 amount of the credit exceeds the State income tax; defining certain terms; providing
7 for the application of this Act; and generally relating to a credit against the State
8 income tax for certain federal harbor maintenance tax paid.

9 BY adding to

10 Article - Tax - General
11 Section 10-708
12 Annotated Code of Maryland
13 (1988 Volume and 1996 Supplement)

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

16 **Article - Tax - General**

17 10-708.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (2) (I) "BREAK-BULK CARGO" MEANS GENERAL GOODS,
21 COMMODITIES, OR WARES THAT ARE CUSTOMARILY:

22 1. SHIPPED IN BOXED, BAGGED, CRATED, OR UNITIZED
23 FORM;

24 2. HELD IN A VESSEL'S GENERAL HANDLING AREAS; AND

25 3. HANDLED BY THE PIECE, BY THE UNIT, OR IN SEPARATE
26 LOTS.

27 (II) "BREAK-BULK CARGO" INCLUDES MOTOR VEHICLES AND
28 OTHER ODD-SIZE CARGO.

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1 (III) "BREAK-BULK CARGO" DOES NOT INCLUDE CONTAINERIZED
2 CARGO OR BULK CARGO.

3 (3) (I) "BULK CARGO" MEANS UNSEGREGATED MASS COMMODITIES.

4 (II) "BULK CARGO" INCLUDES ITEMS SUCH AS PETROLEUM
5 PRODUCTS, COAL, AND BULK SALT WHICH ARE CARRIED LOOSE AND ARE
6 CUSTOMARILY LOADED AND UNLOADED BY PUMPING, SHOVELING, SCOOPING, OR
7 OTHER SIMILAR MEANS.

8 (4) "CONTAINERIZED CARGO" MEANS GENERAL GOODS,
9 COMMODITIES, OR WARES THAT ARE SHIPPED IN NONDISPOSABLE, REUSABLE,
10 COMMERCIAL-SIZED SHIPPING CONTAINERS THAT ARE CUSTOMARILY USED ON
11 SEA- AND OCEAN-GOING VESSELS FOR THE CONVENIENT SHIPMENT OF SUCH
12 GOODS, COMMODITIES, OR WARES.

13 (B) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE
14 STATE INCOME TAX IN THE AMOUNT OF THE HARBOR MAINTENANCE TAX THAT
15 THE INDIVIDUAL OR CORPORATION PAID DURING THE TAXABLE YEAR TO THE
16 FEDERAL GOVERNMENT UNDER § 4461 OF THE INTERNAL REVENUE CODE AS A
17 SHIPPER, IMPORTER, OR EXPORTER WITH RESPECT TO THE SHIPMENT OF
18 BREAK-BULK CARGO OR CONTAINERIZED CARGO BY SEA- AND OCEAN-GOING
19 VESSELS THROUGH A PORT LOCATED IN THE STATE.

20 (C) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE STATE
21 INCOME TAX FOR THE TAXABLE YEAR, CALCULATED BEFORE THE APPLICATION OF
22 THE CREDITS ALLOWED UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS
23 SUBTITLE BUT AFTER THE APPLICATION OF THE OTHER CREDITS ALLOWED UNDER
24 THIS SUBTITLE, THE INDIVIDUAL OR CORPORATION MAY APPLY THE EXCESS AS A
25 CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

26 (1) THE FULL AMOUNT OF THE EXCESS IS USED; OR

27 (2) THE EXPIRATION OF THE 5TH TAXABLE YEAR AFTER THE TAXABLE
28 YEAR DURING WHICH THE HARBOR MAINTENANCE TAX WAS PAID.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 July 1, 1997 and shall be applicable to all taxable years beginning after December 31,
31 1996.