
By: **Delegates Healey, Shriver, C. Davis, Cryor, Bonsack, Hixson, Ports,
Bozman, Muse, Leopold, Beck, Linton, Rzepkowski, McKee, Hurson,
Greenip, and Owings**

Introduced and read first time: February 13, 1998
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted with floor amendments
Read second time: March 27, 1998

CHAPTER _____

1 AN ACT concerning

2 **Income Tax Subtraction for Computer Equipment Donated to Private and**
3 **Parochial Schools and ~~Nonprofit Educational Entities~~**

4 FOR the purpose of allowing an individual or a corporation a subtraction modification
5 under the Maryland income tax for computer equipment not older than a certain
6 age and valued above a certain amount that is donated by an individual or a
7 corporation to certain schools in the State with certain endowments for certain
8 purposes; providing that the subtraction modification is in addition to any
9 deduction allowed for federal purposes for the donation of the equipment;
10 requiring certain schools to provide certain receipts for the donations;
11 prohibiting the subtraction modification under certain circumstances; providing
12 for the application of this Act; and generally relating to a subtraction
13 modification under the Maryland income tax for computer equipment donated to
14 certain schools in the State.

15 BY repealing and reenacting, without amendments,
16 Article - Tax - General
17 Section 10-208(a) and 10-308(a)
18 Annotated Code of Maryland
19 (1997 Replacement Volume)

20 BY adding to
21 Article - Tax - General
22 Section 10-208(c-1)
23 Annotated Code of Maryland

1 (1997 Replacement Volume)

2 BY repealing and reenacting, with amendments,

3 Article - Tax - General

4 Section 10-308(b)

5 Annotated Code of Maryland

6 (1997 Replacement Volume)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article - Tax - General**

10 10-208.

11 (a) In addition to the modification under § 10-207 of this subtitle, the
12 amounts under this section are subtracted from the federal adjusted gross income of
13 a resident to determine Maryland adjusted gross income.

14 (C-1) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
15 INCLUDES THE VALUE OF ANY COMPUTER EQUIPMENT THAT THE TAXPAYER
16 DONATES DURING THE TAXABLE YEAR TO A PRIVATE OR PAROCHIAL ELEMENTARY
17 OR SECONDARY SCHOOL LOCATED IN THE STATE ~~OR A NONPROFIT ENTITY THAT~~
18 ~~ASSISTS WITH THE EDUCATION OF MARYLAND CHILDREN. COMPUTER EQUIPMENT~~
19 ~~DONATED UNDER THIS SUBSECTION MAY BE MADE AVAILABLE FOR STUDENTS TO~~
20 ~~USE ON THE PREMISES OF A PRIVATE OR PAROCHIAL SCHOOL OR A NONPROFIT~~
21 ~~ENTITY THAT ASSISTS WITH THE EDUCATION OF MARYLAND CHILDREN, OR FOR~~
22 ~~STUDENTS TO USE AT HOME ON A LOAN BASIS THAT DOES NOT HAVE AN~~
23 ENDOWMENT GREATER THAN \$1,000,000.

24 (2) TO BE ELIGIBLE FOR THE SUBTRACTION UNDER THIS SUBSECTION,
25 THE COMPUTER EQUIPMENT MUST HAVE AN AGGREGATE VALUE, AS DETERMINED
26 ~~BY THE ORION BLUE BOOK, THAT EXCEEDS \$1,000 OR ANY ACCOMPANYING~~
27 HARDWARE, SOFTWARE, OR COMPONENTS, MUST BE NO MORE THAN 2 YEARS OLD
28 AND MUST HAVE A VALUE, AS PROVEN BY COST RECORDS FROM A DONATING
29 MANUFACTURER OR A SALES RECEIPT, THAT EXCEEDS \$1,000 FOR NEW EQUIPMENT
30 OR \$500 FOR USED EQUIPMENT.

31 (3) THE SCHOOL MUST PROVIDE A RECEIPT TO THE INDIVIDUAL OR
32 CORPORATION MAKING THE DONATION THAT SPECIFIES THE ORION BLUE BOOK
33 VALUE OF THE COMPUTER, HARDWARE, SOFTWARE OR COMPONENTS.

34 ~~(3)~~ (4) THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION IS IN
35 ADDITION TO ANY ITEMIZED DEDUCTION THAT MAY BE ALLOWED FOR THE
36 DONATION FOR FEDERAL TAX PURPOSES AND UNDER THIS SUBTITLE.

37 (5) THE SUBTRACTION UNDER THIS SUBSECTION IS NOT ALLOWED IF
38 CUSTOMER PATRONAGE OF ANY KIND IS REQUIRED AS PART OF THE DONATION.

1 10-308.

2 (a) In addition to the modification under § 10-307 of this subtitle, the
3 amounts under this section are subtracted from the federal taxable income of a
4 corporation to determine Maryland modified income.

5 (b) The subtraction under subsection (a) of this section includes the amounts
6 allowed to be subtracted for an individual under:

7 (1) § 10-208(C-1) OF THIS TITLE (COMPUTER EQUIPMENT DONATED TO
8 ~~SCHOOLS AND NONPROFIT EDUCATIONAL ENTITIES~~);

9 [(1)] (2) § 10-208(d) of this title (Conservation tillage equipment
10 expenses);

11 [(2)] (3) § 10-208(i) of this title (Reforestation or timber stand
12 expenses); and

13 [(3)] (4) § 10-208(k) of this title (Wage expenses for targeted jobs).

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 1998 and shall be applicable to all taxable years beginning after December
16 31, 1998.