

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL NO. 744
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 9, after “schools;” insert “authorizing certain business entities to receive a State income tax credit for certain contributions made to a school under the pilot program; requiring the State Comptroller and the State Department of Education to adopt certain regulations;”; and in line 13, after “Act;” insert “defining certain terms; providing for the application of this Act;”.

On page 2, after line 2, insert:

“BY adding to

Article - Tax - General

Section 10-712

Annotated Code of Maryland

(1997 Replacement Volume and 1998 Supplement)”.

AMENDMENT NO. 2

On page 4, after line 12, insert:

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

(2) “BUSINESS ENTITY” MEANS A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS IN MARYLAND WHO IS SUBJECT TO THE STATE INCOME TAX.

(3) “PROGRAM” MEANS THE MARYLAND MEALS FOR ACHIEVEMENT PILOT IN-CLASSROOM BREAKFAST PROGRAM.”.

On page 4 in lines 13, 19, and 25, and on page 5 in lines 8 and 23, strike, “(A)”, “(B)”, “(C)”, “(D)”, and “(E)”, respectively, and substitute “(B)”, “(C)”, “(D)”, “(E)”, and “(F)”, respectively.

(Over)

AMENDMENT NO. 3

On page 4, in line 35, after “REDUCED” insert “PRICE”.

On page 5, in line 2, strike “A PUBLIC” and substitute “AN”; and in line 4, strike “AND”;
in line 7, after “RATE” insert “DETERMINED UNDER § 7-703 OF THIS SUBTITLE; AND

(6) DISBURSE THE PROGRAM FUNDS TO THE COUNTY BOARD OR THE SPONSORING AGENCY”;

in line 15, after the semicolon, insert “AND”; strike in their entirety lines 16 through 20, inclusive; and in line 21, strike “(3)” and substitute “(2)”.

AMENDMENT NO. 4

On page 1, in line 2, after “Pilot” insert “In-Classroom”.

On page 4, in line 14, after “PILOT” insert “IN-CLASSROOM”; and in line 20, after “MAKES” insert “AN IN-CLASSROOM”.

On page 5, in line 24, strike “A” and substitute “AN IN-CLASSROOM”; and strike beginning with “SCHOOL” in line 31 down through “SCHOOL” in line 32 and substitute “CLASSROOM AT THE BEGINNING OF THE INSTRUCTIONAL DAY”.

AMENDMENT NO. 5

On page 4, in line 26, after “FORM” insert “FOR:”; in line 27, strike “FOR” and substitute “(I)”; in line 28, after “PROGRAM;” insert “AND

(II) A BUSINESS ENTITY THAT DESIRES TO RECEIVE A STATE INCOME TAX CREDIT FOR CONTRIBUTIONS TO THE PROGRAM;”.

On page 5, after line 37, insert:

“(G) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A BUSINESS ENTITY MAY CLAIM A TAX CREDIT APPLICABLE TO THE STATE INCOME TAX OF THE

ENTITY IN THE AMOUNT DETERMINED UNDER SUBSECTION (H) OF THIS SECTION FOR CONTRIBUTIONS MADE BY THE ENTITY TO A SCHOOL FOR THE PROGRAM.

(H) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE STATE INCOME TAX CREDIT ALLOWED UNDER THIS SECTION SHALL EQUAL 50% OF THE AMOUNT OF THE CONTRIBUTIONS THAT:

(I) ARE APPROVED BY THE DEPARTMENT UNDER SUBSECTION (I) OF THIS SECTION; AND

(II) WERE MADE DURING THE TAXABLE YEAR OF THE BUSINESS ENTITY.

(2) (I) THE STATE INCOME TAX CREDIT ALLOWED TO A BUSINESS ENTITY UNDER THIS SECTION MAY NOT EXCEED, FOR ANY TAXABLE YEAR OF THE BUSINESS ENTITY, THE LESSER OF:

1. \$25,000; OR

2. THE TOTAL AMOUNT OF STATE INCOME TAX OTHERWISE PAYABLE BY THE BUSINESS ENTITY FOR THE TAXABLE YEAR.

(II) ANY EXCESS CREDIT THAT WOULD BE ALLOWED BUT FOR THE LIMITATIONS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BE CARRIED OVER AND APPLIED AS A STATE INCOME TAX CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

1. THE FULL AMOUNT OF THE EXCESS IS USED; OR

2. THE EXPIRATION OF THE FIFTH TAXABLE YEAR AFTER THE TAXABLE YEAR IN WHICH THE CONTRIBUTION WAS MADE.

(I) (1) THE STATE INCOME TAX CREDIT ALLOWED UNDER THIS SECTION

(Over)

MAY NOT BE ALLOWED UNLESS THE BUSINESS ENTITY HAS APPLIED FOR AND RECEIVED APPROVAL UNDER THIS SUBSECTION FROM THE DEPARTMENT FOR EACH CONTRIBUTION TO THE PROGRAM FOR WHICH THE CREDIT IS CLAIMED.

(2) EACH APPLICATION FOR APPROVAL OF A CONTRIBUTION SHALL CONTAIN:

(I) THE NAME OF THE SCHOOL PARTICIPATING IN THE PROGRAM AT WHICH THE CONTRIBUTION IS TO BE MADE;

(II) THE AMOUNT OF THE CONTRIBUTION; AND

(III) A CERTIFICATION BY A COUNTY BOARD OR A SPONSORING AGENCY AND THE DEPARTMENT AS TO THE VALUE OF ANY NONMONETARY CONTRIBUTION INCLUDED.

(3) THE DEPARTMENT MAY NOT APPROVE AN APPLICATION FOR APPROVAL OF A CONTRIBUTION BY A BUSINESS ENTITY IF THE DEPARTMENT DETERMINES THAT THE BUSINESS ENTITY HAS OVERSTATED THE VALUE OF ANY NONMONETARY CONTRIBUTION INCLUDED.

(4) BY JANUARY 31 OF EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE COMPTROLLER THE CONTRIBUTIONS THAT THE DEPARTMENT HAS APPROVED UNDER THIS SECTION IN THE PRECEDING CALENDAR YEAR.

(J) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SECTION.”.

On page 7, in line 23, strike “(F)” and substitute “(K)”; after line 28, insert:

“Article - Tax - General

A BUSINESS ENTITY MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR CONTRIBUTIONS MADE BY THE ENTITY TO A SCHOOL FOR THE MARYLAND MEALS FOR ACHIEVEMENT PILOT IN-CLASSROOM BREAKFAST PROGRAM UNDER § 7-704 OF THE EDUCATION ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) This Act shall be applicable to all taxable years beginning after December 31, 1999 but before January 1, 2003; and

(b) Any excess credits may be carried forward and, subject to the limitations of § 7-704 of the Education Article, may be applied as a credit for taxable years beginning on or after January 1, 2003.”.

On page 7, in line 35, strike “2.” and substitute “3.”; in line 36, strike “It” and substitute “Subject to Section 2 of this Act, it”.