

HOUSE BILL 391

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Q3
HB 1101/98 - W&M

1999 Regular Session
9r1225

By: **Delegates Healey, C. Davis, Linton, Hurson, Hixson, Shriver,
Rzepkowski, Patterson, Cryor, Greenip, Ports, Phillips, Rudolph,
Bozman, Conroy, Rosso, Bartlett, and McKee**

Introduced and read first time: February 8, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Subtraction for Computer Equipment Donated to Private and**
3 **Parochial Schools**

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 and 1998 Supplement)

20 BY adding to
21 Article - Tax - General
22 Section 10-208(c-1)
23 Annotated Code of Maryland
24 (1997 Replacement Volume and 1998 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article - Tax - General
27 Section 10-308(b)
28 Annotated Code of Maryland

1 (1997 Replacement Volume and 1998 Supplement)

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

4 **Article - Tax - General**

5 10-208.

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

9 (C-1) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
10 INCLUDES THE VALUE OF ANY COMPUTER EQUIPMENT THAT THE TAXPAYER
11 DONATES DURING THE TAXABLE YEAR TO A PRIVATE OR PAROCHIAL ELEMENTARY
12 OR SECONDARY SCHOOL LOCATED IN THE STATE THAT DOES NOT HAVE AN
13 ENDOWMENT GREATER THAN \$1,000,000.

14 (2) TO BE ELIGIBLE FOR THE SUBTRACTION UNDER THIS SUBSECTION,
15 THE COMPUTER OR ANY ACCOMPANYING HARDWARE, SOFTWARE, OR COMPONENTS,
16 MUST BE NO MORE THAN 2 YEARS OLD AND MUST HAVE A VALUE, AS PROVEN BY
17 COST RECORDS FROM A DONATING MANUFACTURER OR A SALES RECEIPT, THAT
18 EXCEEDS \$1,000 FOR NEW EQUIPMENT OR \$500 FOR USED EQUIPMENT.

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

22 (4) THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION IS IN
23 ADDITION TO ANY ITEMIZED DEDUCTION THAT MAY BE ALLOWED FOR THE
24 DONATION FOR FEDERAL TAX PURPOSES AND UNDER THIS SUBTITLE.

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

27 10-308.

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

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

33 (1) § 10-208(C-1) OF THIS TITLE (COMPUTER EQUIPMENT DONATED TO
34 SCHOOLS);

35 [(1)] (2) § 10-208(d) of this title (Conservation tillage equipment
36 expenses);

1 [(2)] (3) § 10-208(i) of this title (Reforestation or timber stand
2 expenses);

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

4 [(4)] (5) § 10-208(m) of this title (Poultry or livestock manure spreading
5 equipment).

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 1999 and shall be applicable to all taxable years beginning after December
8 31, 1999.