

HOUSE BILL 391

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Q3  
HB 1101/98 - W&M

1999 Regular Session  
9r1225

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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

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Committee Report: Favorable with amendments  
House action: Adopted with floor amendments  
Read second time: March 24, 1999

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Income Tax Subtraction for Computer Equipment Donated to Private and**  
3 **Parochial, and ~~Reconstitution-Eligible~~ Public 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;  
12 ~~expressing a certain intent of the General Assembly;~~ providing for the  
13 application of this Act; and generally relating to a subtraction modification  
14 under the Maryland income tax for computer equipment donated to certain  
15 schools in the State.

16 BY repealing and reenacting, without amendments,  
17 Article - Tax - General  
18 Section 10-208(a) and 10-308(a)  
19 Annotated Code of Maryland  
20 (1997 Replacement Volume and 1998 Supplement)

21 BY adding to  
22 Article - Tax - General  
23 Section 10-208(c-1)

1 Annotated Code of Maryland  
2 (1997 Replacement Volume and 1998 Supplement)

3 BY repealing and reenacting, with amendments,  
4 Article - Tax - General  
5 Section 10-308(b)  
6 Annotated Code of Maryland  
7 (1997 Replacement Volume and 1998 Supplement)

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

10 **Article - Tax - General**

11 10-208.

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

15 (C-1) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
16 INCLUDES THE VALUE OF ANY COMPUTER EQUIPMENT THAT THE TAXPAYER  
17 DONATES DURING THE TAXABLE YEAR TO:

18 (I) A PRIVATE OR PAROCHIAL ELEMENTARY OR SECONDARY  
19 SCHOOL LOCATED IN THE STATE THAT DOES NOT HAVE AN ENDOWMENT GREATER  
20 THAN \$1,000,000; OR

21 (II) ~~AN A PUBLIC ELEMENTARY OR SECONDARY SCHOOL~~  
22 ~~IDENTIFIED BY THE STATE BOARD OF EDUCATION AS RECONSTITUTION ELIGIBLE~~  
23 ~~LOCATED IN THE STATE.~~

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

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

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

35 (5) THE SUBTRACTION UNDER THIS SUBSECTION IS NOT ALLOWED IF  
36 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);

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);

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

14 [(4)] (5) § 10-208(m) of this title (Poultry or livestock manure spreading  
15 equipment).

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 1999 and shall be applicable to all taxable years beginning after December  
18 31, 1999.