

HOUSE BILL 535

Unofficial Copy  
Q3

1999 Regular Session  
9r2230  
CF 9r2099

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By: **Delegate Mandel**

Introduced and read first time: February 11, 1999

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **State Income Tax Credits for Charitable Giving**

3 FOR the purpose of allowing a credit against the State income tax in a certain amount  
4 for individuals who do not itemize deductions to determine federal taxable  
5 income and who make certain charitable contributions exceeding a certain  
6 portion of federal adjusted gross income; allowing a credit against the State  
7 income tax in a certain amount for individuals who itemize deductions to  
8 determine federal taxable income and who make certain charitable  
9 contributions exceeding a certain portion of federal adjusted gross income;  
10 defining a certain term; providing for the application of this Act; and generally  
11 relating to certain credits against the State income tax for certain charitable  
12 contributions.

13 BY adding to  
14 Article - Tax - General  
15 Section 10-712  
16 Annotated Code of Maryland  
17 (1997 Replacement Volume and 1998 Supplement)

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

20 **Article - Tax - General**

21 10-712.

22 (A) IN THIS SECTION, "CHARITABLE CONTRIBUTION" MEANS A CHARITABLE  
23 CONTRIBUTION PAID DURING A TAXABLE YEAR AND ALLOWABLE AS A DEDUCTION  
24 UNDER § 170 OF THE INTERNAL REVENUE CODE.

25 (B) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX  
26 AS PROVIDED IN SUBSECTION (C) OF THIS SECTION FOR CHARITABLE  
27 CONTRIBUTIONS MADE.

1 (C) (1) FOR AN INDIVIDUAL WHO DOES NOT ITEMIZE DEDUCTIONS ON THE  
2 INDIVIDUAL'S FEDERAL TAX RETURN IN DETERMINING FEDERAL TAXABLE INCOME,  
3 THE CREDIT ALLOWED UNDER SUBSECTION (B) OF THIS SECTION EQUALS 10% OF  
4 THE AMOUNT BY WHICH THE INDIVIDUAL'S CHARITABLE CONTRIBUTIONS FOR THE  
5 TAXABLE YEAR EXCEED 4% OF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS  
6 INCOME FOR THE TAXABLE YEAR.

7 (2) FOR AN INDIVIDUAL WHO ITEMIZES DEDUCTIONS ON THE  
8 INDIVIDUAL'S FEDERAL TAX RETURN IN DETERMINING FEDERAL TAXABLE INCOME,  
9 THE CREDIT ALLOWED UNDER SUBSECTION (B) OF THIS SECTION EQUALS 10% OF  
10 THE AMOUNT BY WHICH THE INDIVIDUAL'S CHARITABLE CONTRIBUTIONS FOR THE  
11 TAXABLE YEAR EXCEED 4% OF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS  
12 INCOME FOR THE TAXABLE YEAR.

13 (D) (1) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE  
14 STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR, DETERMINED BEFORE  
15 APPLICATION OF THE CREDIT ALLOWED UNDER §§ 10-701 AND 10-701.1 OF THIS  
16 SUBTITLE BUT AFTER APPLICATION OF ANY OTHER CREDITS ALLOWED UNDER THIS  
17 SECTION.

18 (2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY  
19 NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 October 1, 1999 and shall be applicable to all taxable years beginning after December  
22 31, 1998.