

HOUSE BILL 1002

Unofficial Copy
Q3

2000 Regular Session
0lr2218

By: **Delegates Bartlett, Parrott, Leopold, Glassman, Edwards, DeCarlo,
Rzepkowski, Kach, Klausmeier, Donoghue, K. Kelly, Shank, McKee,
Hecht, Stull, Walkup, and Boutin**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Technology-Based Farm Equipment - Income Tax Subtraction Modification**

3 FOR the purpose of allowing a subtraction modification under the Maryland
4 individual and corporate income tax for expenses incurred to purchase and
5 install certain technology-based farm equipment; requiring a taxpayer to file
6 with the taxpayer's income tax return a certain certification from the
7 Department of Agriculture to qualify for the subtraction; providing that the
8 subtraction modification may be carried over to succeeding taxable years under
9 certain circumstances; providing for the application of this Act; and generally
10 relating to an income tax subtraction modification for expenses incurred to
11 purchase and install certain technology-based farm equipment.

12 BY repealing and reenacting, without amendments,
13 Article - Tax - General
14 Section 10-208(a) and 10-308(a)
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 1999 Supplement)

17 BY adding to
18 Article - Tax - General
19 Section 10-208(o)
20 Annotated Code of Maryland
21 (1997 Replacement Volume and 1999 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article - Tax - General
24 Section 10-308(b)
25 Annotated Code of Maryland
26 (1997 Replacement Volume and 1999 Supplement)

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

3 **Article - Tax - General**

4 10-208.

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

8 (O) (1) IN THIS SUBSECTION, "TECHNOLOGY-BASED FARM EQUIPMENT"
9 MEANS:

10 (I) A GLOBAL POSITIONING SYSTEM DESIGNED TO HELP FARMERS
11 IDENTIFY APPROPRIATE LOCATIONS IN FIELDS FOR FERTILIZATION AND PEST
12 CONTROL;

13 (II) COMPUTERS AND INTERNET ACCESS SOFTWARE; AND

14 (III) OTHER TECHNOLOGY-BASED EQUIPMENT, AS IDENTIFIED BY
15 THE DEPARTMENT OF AGRICULTURE IN REGULATIONS THAT THE DEPARTMENT
16 ADOPTS, THAT IS USEFUL TO IMPROVE FARMING EFFICIENCY OR FARMING
17 MANAGEMENT PRACTICES TO HELP MARYLAND FARMERS BETTER COMPETE IN THE
18 MARKET PLACE AND BETTER PROTECT THE ENVIRONMENT.

19 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
20 INCLUDES 100% OF THE EXPENSES THAT A TAXPAYER INCURS TO BUY AND INSTALL
21 TECHNOLOGY-BASED FARM EQUIPMENT IF:

22 (I) THE EQUIPMENT HAS A USEFUL LIFE OF AT LEAST 4 YEARS;
23 AND

24 (II) THE TAXPAYER:

25 1. BOUGHT THE EQUIPMENT AFTER DECEMBER 31, 1999;

26 2. OWNS THE EQUIPMENT FOR AT LEAST 3 YEARS AFTER
27 THE TAXABLE YEAR IN WHICH THE SUBTRACTION IS MADE; AND

28 3. USES THE EQUIPMENT IN FARMING OPERATIONS.

29 (3) TO QUALIFY FOR THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS
30 SUBSECTION, A TAXPAYER SHALL FILE WITH THE TAXPAYER'S INCOME TAX RETURN
31 A STATEMENT FROM THE DEPARTMENT OF AGRICULTURE CERTIFYING COMPLIANCE
32 WITH THE REQUIREMENTS OF THIS SECTION.

33 (4) IF THE SUBTRACTION ALLOWED UNDER PARAGRAPH (2) OF THIS
34 SUBSECTION EXCEEDS THE MARYLAND TAXABLE INCOME THAT IS COMPUTED
35 WITHOUT THE MODIFICATION ALLOWED UNDER THIS SUBSECTION AND THE

1 SUBTRACTION IS NOT USED FOR THE TAXABLE YEAR, THE EXCESS MAY BE CARRIED
2 OVER TO SUCCEEDING TAXABLE YEARS, NOT TO EXCEED 5, UNTIL THE FULL
3 AMOUNT OF THE SUBTRACTION IS USED.

4 10-308.

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

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

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

11 (2) § 10-208(i) of this title (Reforestation or timber stand expenses);

12 (3) § 10-208(k) of this title (Wage expenses for targeted jobs); [and]

13 (4) § 10-208(m) of this title (Poultry or livestock manure spreading
14 equipment); AND

15 (5) § 10-208(O) OF THIS TITLE (TECHNOLOGY-BASED FARM EQUIPMENT).

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
18 1999.