
By: **Delegates Gladden and Kirk**

Introduced and read first time: February 9, 2001

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Education - Teacher Incentive Coupon Book - Establishment**

3 FOR the purpose of authorizing a county board of education to establish a certain
4 teacher incentive coupon book; allowing a credit for certain businesses against
5 the State income tax for certain contributions to the coupon book; providing for
6 the carryover of certain unused credit to certain taxable years; providing for
7 standards for the coupon book; limiting use of a coupon book to county teachers;
8 establishing that there is no charge to a teacher for the coupon book; and
9 generally relating to the establishment of the teacher incentive coupon book.

10 BY adding to

11 Article - Education
12 Section 4-126
13 Annotated Code of Maryland
14 (1999 Replacement Volume and 2000 Supplement)

15 BY adding to

16 Article - Tax - General
17 Section 10-722
18 Annotated Code of Maryland
19 (1997 Replacement Volume and 2000 Supplement)

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

22 **Article - Education**

23 4-126.

24 (A) (1) A COUNTY BOARD, IN COOPERATION WITH LOCAL BUSINESSES, MAY
25 ESTABLISH A TEACHER INCENTIVE COUPON BOOK.

26 (2) A COUPON BOOK ESTABLISHED UNDER THIS SECTION SHALL:

1 (I) CONTAIN COUPONS FROM LOCAL BUSINESSES REDEEMABLE
2 FOR GOODS OR SERVICES OFFERED BY THE BUSINESS ENTITIES;

3 (II) BE ONLY FOR USE BY TEACHERS WHO WORK IN THE COUNTY
4 SCHOOL SYSTEM; AND

5 (III) BE AVAILABLE AT NO CHARGE ONLY TO A TEACHER IN THE
6 COUNTY SCHOOL SYSTEM.

7 (B) (1) A BUSINESS ENTITY MAY CLAIM A TAX CREDIT UNDER § 10-722 OF
8 THE TAX - GENERAL ARTICLE EQUAL TO 100 PERCENT OF COUPONS REDEEMED FOR
9 GOODS OR SERVICES OUT OF A TEACHER INCENTIVE COUPON BOOK DURING THE
10 TAXABLE YEAR.

11 (2) THE SAME TAX CREDIT MAY NOT BE APPLIED MORE THAN ONCE
12 AGAINST DIFFERENT TAXES BY THE SAME TAXPAYER.

13 **Article - Tax - General**

14 10-722.

15 (A) A PERSON MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A
16 TAXABLE YEAR IN AN AMOUNT EQUAL TO 100% OF COUPONS REDEEMED FOR GOODS
17 OR SERVICES THAT WERE USED BY A TEACHER WHO HAD A TEACHER INCENTIVE
18 COUPON BOOK AS PROVIDED BY § 4-126 OF THE EDUCATION ARTICLE.

19 (B) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE STATE
20 INCOME TAX, ANY UNUSED CREDIT MAY BE CARRIED FORWARD AND APPLIED FOR
21 SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

22 (1) THE FULL AMOUNT OF THE CREDIT IS USED; OR

23 (2) THE EXPIRATION OF THE 10TH TAXABLE YEAR AFTER THE TAXABLE
24 YEAR IN WHICH THE CREDIT AROSE.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 2001.