
By: **Senators Kittleman, Astle, Colburn, Dyson, Ferguson, Hafer, Haines,
Harris, Hooper, Jacobs, Middleton, Miller, Mooney, Munson, Neall, and
Stoltzfus**

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Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
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CHAPTER _____

1 AN ACT concerning

2 **Maryland Income Tax - Subtraction Modification - Conservation Tillage**
3 **Equipment**

4 FOR the purpose of altering the definition of conservation tillage equipment for
5 purposes of a certain Maryland income tax subtraction modification to include a
6 ~~deep no-till ripper used for soil preparation in no-till systems~~ certain deep
7 no-till rippers; providing for the application of this Act; and generally relating to
8 an income tax subtraction modification for conservation tillage equipment.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - General
11 Section 10-208(d)
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2001 Supplement)

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

16 **Article - Tax - General**

17 10-208.

18 (d) (1) In this subsection, "conservation tillage equipment":

19 (i) means:

- 1 a planter or drill that:
- 2 A. is commonly known as a "no-till" planter or drill; and
- 3 B. is designed to minimize the disturbance of the soil in
- 4 planting crops; [or]

5 2. liquid manure soil injection equipment that is designed to

6 inject manure into the soil to reduce nutrient runoff; OR

7 3. ~~A DEEP NO-TILL RIPPER USED FOR SOIL PREPARATION IN~~

8 ~~NO-TILL SYSTEMS THAT DOES NOT INVERT THE SOIL PROFILE AND IS USED TO~~

9 ~~ADDRESS COMPACTION IN HIGH RESIDUE CROPPING SYSTEMS;~~ and

10 (ii) includes a planter or drill or liquid manure soil injection

11 equipment that attaches to or is pulled by equipment.

12 (2) The subtraction under subsection (a) of this section includes 100% of

13 the expenses that a taxpayer incurs to buy and install conservation tillage equipment

14 if:

15 (i) the equipment has a useful life of at least 4 years;

16 (ii) the taxpayer:

17 1. bought the equipment:

18 A. after December 31, 1985, if the equipment is a planter or

19 drill; [or]

20 B. after December 31, 1989, if the equipment is liquid

21 manure soil injection equipment; OR

22 C. AFTER DECEMBER 31, 2001, IF THE EQUIPMENT IS A DEEP

23 NO-TILL RIPPER THAT DOES NOT INVERT THE SOIL PROFILE;

24 2. owns the equipment for at least 3 years after the taxable

25 year in which the subtraction is made; and

26 3. uses the equipment in agricultural production; and

27 (iii) for liquid manure soil injection equipment, the equipment is:

28 1. used on land upon which farm products, as defined under

29 § 10-601 of the Agriculture Article, are raised; and

30 2. not used to inject sludge into the soil.

31 (3) To qualify for the subtraction under paragraph (2) of this subsection,

32 a taxpayer shall file a statement from the Department of Agriculture certifying

33 compliance with the requirements of this section.

1 (4) If the subtraction allowed under paragraph (2) of this subsection
2 exceeds the Maryland taxable income that is computed without the modification
3 allowed under this subsection and the subtraction is not used for the taxable year, the
4 excess may be carried over to succeeding taxable years, not to exceed 5, until the full
5 amount of the subtraction is used.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2002, and shall be applicable to all taxable years beginning after December
8 31, 2001.