

(PRE-FILED)

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By: **Delegate Trueschler**  
Requested: July 6, 2004  
Introduced and read first time: January 12, 2005  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Classroom Supplies Purchased by Teachers**

3 FOR the purpose of authorizing certain elementary or secondary school teachers to  
4 claim a certain credit against the State income tax for certain classroom  
5 supplies purchased; providing that the credit may not exceed a certain amount;  
6 prohibiting the unused amount of the credit from being carried over to any other  
7 taxable year; requiring a claimant to keep certain records; requiring a certain  
8 addition modification to determine Maryland adjusted gross income if a certain  
9 credit is claimed; providing for the application of this Act; and generally relating  
10 to a credit against the State income tax for certain classroom supplies purchased  
11 by certain elementary or secondary school teachers.

12 BY repealing and reenacting, without amendments,  
13 Article - Tax - General  
14 Section 10-205(a)  
15 Annotated Code of Maryland  
16 (1997 Replacement Volume and 2004 Supplement)

17 BY adding to  
18 Article - Tax - General  
19 Section 10-205(j) and 10-725  
20 Annotated Code of Maryland  
21 (1997 Replacement Volume and 2004 Supplement)

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

1 **Article - Tax - General**

2 10-205.

3 (a) In addition to the modification under § 10-204 of this subtitle, the  
4 amounts under this section are added to the federal adjusted gross income of a  
5 resident to determine Maryland adjusted gross income.

6 (J) TO THE EXTENT EXCLUDED FROM FEDERAL ADJUSTED GROSS INCOME,  
7 THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT  
8 OF A CREDIT CLAIMED UNDER § 10-725 OF THIS TITLE FOR EXPENSES PAID FOR  
9 TEACHERS' CLASSROOM SUPPLIES.

10 10-725.

11 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
12 INDICATED.

13 (2) (I) "ELIGIBLE EXPENSES" MEANS EXPENSES PAID FOR BOOKS,  
14 SUPPLIES, COMPUTER EQUIPMENT, AND OTHER EQUIPMENT AND SUPPLEMENTARY  
15 MATERIALS USED BY AN ELIGIBLE TEACHER IN THE CLASSROOM.

16 (II) "ELIGIBLE EXPENSES" INCLUDES RELATED COMPUTER  
17 SOFTWARE AND SERVICES.

18 (III) "ELIGIBLE EXPENSES" DOES NOT INCLUDE NONATHLETIC  
19 SUPPLIES FOR COURSES OF INSTRUCTION IN HEALTH OR PHYSICAL EDUCATION.

20 (3) (I) "ELIGIBLE TEACHER" MEANS AN INDIVIDUAL WHO IS A  
21 KINDERGARTEN THROUGH GRADE TWELVE CLASSROOM TEACHER IN AN  
22 ELEMENTARY OR SECONDARY SCHOOL FOR AT LEAST 900 HOURS DURING AN  
23 ACADEMIC YEAR ENDING DURING A TAXABLE YEAR.

24 (II) "ELIGIBLE TEACHER" DOES NOT INCLUDE A TEACHER'S AIDE,  
25 COUNSELOR, OR ADMINISTRATOR.

26 (B) (1) AN ELIGIBLE TEACHER MAY CLAIM A CREDIT AGAINST THE STATE  
27 INCOME TAX IN THE AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS  
28 SUBSECTION FOR ELIGIBLE EXPENSES PAID DURING THE TAXABLE YEAR THAT:

29 (I) ARE VERIFIED BY A SCHOOL ADMINISTRATOR; AND

30 (II) ARE NOT REIMBURSED BY THE TEACHER'S EMPLOYER OR THE  
31 PARENT TEACHER ASSOCIATION.

32 (2) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AN ELIGIBLE  
33 TEACHER MAY CLAIM THE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION IN  
34 AN AMOUNT EQUAL TO:

35 (I) 25% OF ELIGIBLE EXPENSES PAID DURING A TAXABLE YEAR  
36 BEGINNING AFTER DECEMBER 31, 2004, BUT BEFORE JANUARY 1, 2006;

1 (II) 50% OF ELIGIBLE EXPENSES PAID DURING A TAXABLE YEAR  
2 BEGINNING AFTER DECEMBER 31, 2005, BUT BEFORE JANUARY 1, 2007; AND

3 (III) 75% OF ELIGIBLE EXPENSES PAID DURING ANY TAXABLE YEAR  
4 BEGINNING AFTER DECEMBER 31, 2006.

5 (C) (1) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE  
6 LESSER OF:

7 (I) \$300; OR

8 (II) THE ELIGIBLE TEACHER'S STATE INCOME TAX LIABILITY FOR  
9 THAT TAXABLE YEAR.

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

12 (D) A CLAIMANT SHALL KEEP FOR 3 YEARS:

13 (1) COMPLETE AND ACCURATE RECORDS OF ALL ELIGIBLE EXPENSES  
14 FOR WHICH A CREDIT IS CLAIMED UNDER THIS SECTION, INCLUDING  
15 ADMINISTRATOR VERIFICATION; AND

16 (2) OTHER RECORDS IN THE FORM THAT THE COMPTROLLER REQUIRES  
17 BY REGULATION.

18 (E) IF A CREDIT IS CLAIMED UNDER THIS SECTION, THE CLAIMANT MUST  
19 MAKE THE ADDITION REQUIRED UNDER § 10-205 OF THIS TITLE.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 2005, and shall be applicable to all taxable years beginning after December 31,  
22 2004.