
By: **Delegates Cryor, Bartlett, Bohanan, Dumais, Elmore, Feldman,
Gutierrez, Hogan, Kach, Kaiser, Kohl, Lawton, Morhaim, O'Donnell,
Shewell, Sossi, Stull, and Weldon**

Introduced and read first time: February 8, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Living Organ Donors**

3 FOR the purpose of allowing a subtraction modification under the Maryland income
4 tax for forgone earned income attributable to the donation of certain organs for
5 organ transplant under certain circumstances; limiting the subtraction to a
6 certain amount; providing for calculation of the subtraction; limiting the
7 number of claims per individual; limiting the period in which the claim may be
8 made; requiring an individual to file certain documentation with the
9 individual's income tax return to claim the subtraction; defining certain terms;
10 providing for the application of this Act; and generally relating to an income tax
11 subtraction modification for donating certain organs for organ transplantation.

12 BY repealing and reenacting, without amendments,
13 Article - Tax - General
14 Section 10-208(a)
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2005 Supplement)

17 BY adding to
18 Article - Tax - General
19 Section 10-208(q)
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2005 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 10-208.

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

6 (Q) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
7 MEANINGS INDICATED.

8 (II) "EARNED INCOME" HAS THE MEANING STATED IN § 32 OF THE
9 INTERNAL REVENUE CODE.

10 (III) "ORGAN" INCLUDES ALL OR PART OF A LIVER, KIDNEY,
11 PANCREAS, INTESTINE, LUNG, AND BONE MARROW.

12 (IV) "RECOVERY PERIOD" MEANS THE PERIOD OF TIME BEGINNING
13 ON THE DAY ON WHICH A DONATING INDIVIDUAL UNDERGOES AN ORGAN
14 TRANSPLANT PROCEDURE AND ENDING ON THE 90TH DAY FOLLOWING THE
15 OPERATION.

16 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
17 INCLUDES AN AMOUNT EQUAL TO THE EARNED INCOME THAT A LIVING INDIVIDUAL
18 FORGOES DURING THE RECOVERY PERIOD ATTRIBUTABLE TO THE DONATION OF
19 ONE OR MORE OF THE INDIVIDUAL'S ORGANS TO ANOTHER HUMAN BEING FOR
20 ORGAN TRANSPLANTATION.

21 (3) THE SUBTRACTION UNDER THIS SUBSECTION MAY NOT EXCEED
22 \$10,000 FOR THE TAXABLE YEAR.

23 (4) FOR PURPOSES OF THIS SUBSECTION, THE FORGONE EARNED
24 INCOME OF THE INDIVIDUAL MAY BE ESTABLISHED:

25 (I) BY COMPUTING THE SALARY OR WAGES THE INDIVIDUAL
26 WOULD HAVE EARNED DURING THAT PORTION OF THE RECOVERY PERIOD THAT
27 FALLS WITHIN THE TAXABLE YEAR IF THE INDIVIDUAL HAD REMAINED WORKING IN
28 THE POSITION OF EMPLOYMENT HELD IMMEDIATELY BEFORE THE TRANSPLANT,
29 REDUCED BY THE SALARY OR WAGES ACTUALLY EARNED DURING THIS PERIOD;

30 (II) BY USING AN AMOUNT EQUAL TO THE AMOUNT OF EARNED
31 INCOME THE INDIVIDUAL EARNED FOR THE SAME DATES AND DURATION IN THE
32 TAXABLE YEAR IMMEDIATELY PRECEDING THE TAXABLE YEAR IN WHICH THE
33 SUBTRACTION IS CLAIMED, REDUCED BY THE EARNED INCOME ACTUALLY EARNED
34 BY THE TAXPAYER DURING THAT PORTION OF THE RECOVERY PERIOD THAT IS
35 WITHIN THE CURRENT TAXABLE YEAR; OR

36 (III) BY REGULATIONS ESTABLISHED BY THE COMPTROLLER.

1 (5) THE SUBTRACTION UNDER THIS SUBSECTION MAY ONLY BE MADE
2 ONCE DURING THE INDIVIDUAL'S LIFETIME.

3 (6) THE SUBTRACTION UNDER THIS SUBSECTION MAY ONLY BE MADE
4 FOR THE TAXABLE YEAR IN WHICH THE HUMAN ORGAN TRANSPLANTATION OCCURS.

5 (7) TO QUALIFY FOR THE SUBTRACTION UNDER THIS SUBSECTION, AN
6 INDIVIDUAL SHALL FILE WITH THE INDIVIDUAL'S INCOME TAX RETURN A WRITTEN
7 CONFIRMATION OF THE DONATION PROCEDURE FROM A PHYSICIAN OR HOSPITAL.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,
10 2005.