
By: **Senator Ruben**

Introduced and read first time: January 23, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Arts in Maryland Fund - Income Tax Checkoff**

3 FOR the purpose of establishing the Arts in Maryland Fund within the Maryland
4 State Arts Council in the Department of Business and Economic Development to
5 be used to provide grants to support the arts in the State; requiring the Council
6 to adopt certain regulations; requiring the Council to submit a certain report
7 each year to the General Assembly on the administration of the Fund; requiring
8 the Comptroller to include a checkoff on individual income tax return forms for
9 voluntary contributions to the Fund and to include certain information in each
10 individual income tax return package; allowing individuals to deduct a certain
11 contribution from a certain refund or add the contribution to certain income tax
12 to be paid; requiring the Comptroller to collect certain contributions and
13 distribute them in a certain manner; defining certain terms; providing for the
14 application of this Act; and generally relating to the Arts in Maryland Fund and
15 an income tax checkoff for contributions to the Fund.

16 BY adding to
17 Article 83A - Department of Business and Economic Development
18 Section 4-610
19 Annotated Code of Maryland
20 (2003 Replacement Volume and 2005 Supplement)

21 BY adding to
22 Article - Tax - General
23 Section 2-113 and 10-804(i)
24 Annotated Code of Maryland
25 (2004 Replacement Volume and 2005 Supplement)

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

1 **Article 83A - Department of Business and Economic Development**

2 4-610.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.5 (2) "FUND" MEANS THE ARTS IN MARYLAND FUND ESTABLISHED UNDER
6 THIS SECTION.7 (3) "INCOME TAX CHECKOFF SYSTEM" MEANS THE CHECKOFF SYSTEM
8 ESTABLISHED UNDER § 2-113 OF THE TAX - GENERAL ARTICLE.

9 (B) (1) THERE IS AN ARTS IN MARYLAND FUND.

10 (2) THE NET PROCEEDS FROM CONTRIBUTIONS UNDER THE INCOME
11 TAX CHECKOFF SYSTEM AND ANY OTHER DONATIONS TO THE FUND SHALL BE
12 CREDITED TO THE FUND.

13 (3) THE COUNCIL SHALL ADMINISTER THE FUND.

14 (4) THE FUND SHALL BE USED ONLY AS PROVIDED IN SUBSECTION (C)
15 OF THIS SECTION.16 (5) THE FUND SHALL BE MAINTAINED FOR THE PURPOSES STATED IN
17 THIS SECTION AND UNSPENT PORTIONS OF THE FUND SHALL REMAIN IN THE FUND
18 AND MAY NOT REVERT TO THE GENERAL FUND OF THE STATE.19 (6) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL AND IS NOT
20 INTENDED TO TAKE THE PLACE OF FUNDING THAT WOULD OTHERWISE BE
21 APPROPRIATED TO THE COUNCIL FOR THE SUPPORT OF THE ARTS IN THE STATE.22 (C) (1) THE COUNCIL MAY DISTRIBUTE NOT MORE THAN 5% OF THE NET
23 PROCEEDS OF THE FUND TO A PROMOTIONAL ACCOUNT TO BE USED TO PROMOTE
24 FURTHER DONATIONS TO THE FUND.25 (2) AFTER MAKING THE DISTRIBUTION ALLOWED UNDER PARAGRAPH
26 (1) OF THIS SUBSECTION, THE COUNCIL SHALL USE THE REMAINDER OF THE NET
27 PROCEEDS OF THE FUND ONLY TO PROVIDE GRANTS TO ELIGIBLE APPLICANTS FOR
28 THE SUPPORT OF THE PERFORMING, VISUAL, OR CREATIVE ARTS IN THE STATE.

29 (D) THE COUNCIL SHALL:

30 (1) ADOPT REGULATIONS TO IMPLEMENT AN ARTS IN MARYLAND GRANT
31 PROGRAM UNDER THIS SECTION; AND32 (2) ESTABLISH ELIGIBILITY CRITERIA FOR THE RECIPIENTS OF THE
33 GRANT PROGRAM ESTABLISHED UNDER THIS SECTION.34 (E) (1) ON OR BEFORE AUGUST 31 OF EACH YEAR, THE COUNCIL SHALL
35 SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF

1 THE STATE GOVERNMENT ARTICLE, ON THE ADMINISTRATION OF THE ARTS IN
2 MARYLAND FUND.

3 (2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE:

4 (I) THE GROSS AMOUNT OF DONATIONS TO THE FUND THROUGH
5 THE INCOME TAX CHECKOFF SYSTEM AND OTHERWISE;

6 (II) THE COSTS OF ADMINISTRATION BY THE COMPTROLLER OF
7 THE INCOME TAX CHECKOFF SYSTEM;

8 (III) A DESCRIPTION OF PROMOTIONAL EFFORTS UNDERTAKEN
9 WITH MONEY FROM THE FUND; AND

10 (IV) A DETAILED ACCOUNTING OF THE USE OF THE FUND.

11 **Article - Tax - General**

12 2-113.

13 (A) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL INCOME
14 TAX RETURN FORM A CHECKOFF DESIGNATED AS THE "ARTS IN MARYLAND FUND
15 CONTRIBUTION".

16 (2) THE CHECKOFF SHALL STATE THAT:

17 (I) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT
18 RETURN, MAY CONTRIBUTE TO THE ARTS IN MARYLAND FUND THE AMOUNT
19 DESIGNATED BY THE INDIVIDUAL; AND

20 (II) 1. THE INDIVIDUAL SHALL DEDUCT THE AMOUNT OF THE
21 CONTRIBUTION FROM ANY REFUND TO WHICH THE INDIVIDUAL IS ENTITLED; OR

22 2. IF THE INDIVIDUAL IS NOT ENTITLED TO A REFUND, THE
23 INDIVIDUAL SHALL ADD THE AMOUNT OF THE CONTRIBUTION TO THE INCOME TAX
24 TO BE PAID WITH THE RETURN.

25 (3) THE COMPTROLLER SHALL INCLUDE, WITH THE INDIVIDUAL
26 INCOME TAX RETURN PACKAGE, A DESCRIPTION OF THE PURPOSES FOR WHICH THE
27 ARTS IN MARYLAND FUND WAS ESTABLISHED AND THE PURPOSES FOR WHICH THE
28 FUND MAY BE USED.

29 (B) THE COMPTROLLER SHALL:

30 (1) COLLECT THE CHECKOFF CONTRIBUTIONS AND ACCOUNT TO THE
31 STATE TREASURER FOR THE MONEY COLLECTED;

32 (2) FROM THE CONTRIBUTIONS COLLECTED, DISTRIBUTE THE AMOUNT
33 NECESSARY TO ADMINISTER THE CHECKOFF SYSTEM TO AN ADMINISTRATIVE COST
34 ACCOUNT; AND

1 (3) AFTER THE DISTRIBUTION UNDER ITEM (2) OF THIS SUBSECTION,
2 DISTRIBUTE THE REMAINDER OF THE MONEY COLLECTED UNDER THIS SUBSECTION
3 TO THE ARTS IN MARYLAND FUND ESTABLISHED UNDER ARTICLE 83A, § 4-610 OF THE
4 CODE.

5 10-804.

6 (I) AN INDIVIDUAL MAY DESIGNATE A CONTRIBUTION TO THE ARTS IN
7 MARYLAND FUND, ESTABLISHED UNDER ARTICLE 83A, § 4-610 OF THE CODE, BY THE
8 CHECKOFF SYSTEM ON THE RETURN.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,
11 2005.