

# HOUSE BILL 354

Q3, P1

7lr1573

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By: **Allegany County Delegation**

Introduced and read first time: February 1, 2007

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Checkoff – Maryland Military Family Relief Fund**

3 FOR the purpose of establishing the Maryland Military Family Relief Fund within the  
4 Department of Veterans Affairs to be distributed as grants to certain  
5 organizations to provide certain programs and services to certain military  
6 families; requiring the Secretary of Veterans Affairs 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 Maryland Military Family  
15 Relief Fund and an income tax checkoff for contributions to the Fund.

16 BY adding to

17 Article – State Government

18 Section 9–913

19 Annotated Code of Maryland

20 (2004 Replacement Volume and 2006 Supplement)

21 BY adding to

22 Article – Tax – General

23 Section 2–113 and 10–804(i)

24 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2004 Replacement Volume and 2006 Supplement)

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

**Article – State Government**

**9–913.**

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

(2) “FUND” MEANS THE MARYLAND MILITARY FAMILY RELIEF FUND ESTABLISHED UNDER THIS SECTION.

(3) “INCOME TAX CHECKOFF SYSTEM” MEANS THE CHECKOFF SYSTEM ESTABLISHED UNDER § 2–113 OF THE TAX – GENERAL ARTICLE.

(B) (1) THERE IS A MARYLAND MILITARY FAMILY RELIEF FUND.

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

(3) THE SECRETARY SHALL ADMINISTER THE FUND.

(4) THE FUND SHALL BE USED ONLY AS PROVIDED IN THIS SECTION.

(5) UNSPENT PORTIONS OF THE FUND SHALL REMAIN IN THE FUND AND MAY NOT REVERT TO THE GENERAL FUND OF THE STATE.

(C) (1) THE SECRETARY SHALL DISTRIBUTE THE NET PROCEEDS OF THE FUND IN EQUAL AMOUNTS AS GRANTS TO THE FOLLOWING ORGANIZATIONS:

(I) FISHER HOUSE FOUNDATION, INC.;

(II) WOUNDED WARRIOR PROJECT; AND

**(III) UNITED SERVICE ORGANIZATIONS, INC. (USO).**

**(2) THE ORGANIZATIONS RECEIVING GRANTS FROM THE FUND SHALL USE THE PROCEEDS OF THE GRANTS ONLY TO PROVIDE SERVICES AND PROGRAMS TO IMPROVE THE QUALITY OF LIFE OF MARYLAND-DOMICILED INJURED ACTIVE DUTY MEMBERS OF THE MILITARY AND DISABLED VETERANS AND THEIR FAMILIES.**

**(D) (1) ON OR BEFORE AUGUST 31 OF EACH YEAR, THE SECRETARY SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE ADMINISTRATION OF THE MARYLAND MILITARY FAMILY RELIEF FUND.**

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

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

**(II) THE COSTS OF ADMINISTRATION BY THE COMPTROLLER OF THE INCOME TAX CHECKOFF SYSTEM; AND**

**(III) A DETAILED ACCOUNTING OF THE USE OF THE GRANTS PROVIDED UNDER THIS SECTION.**

**Article – Tax – General**

**2-113.**

**(A) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL INCOME TAX RETURN FORM A CHECKOFF DESIGNATED AS THE “MARYLAND MILITARY FAMILY RELIEF FUND”.**

**(2) THE CHECKOFF SHALL STATE THAT:**

**(I) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT RETURN, MAY CONTRIBUTE TO THE MARYLAND MILITARY FAMILY RELIEF FUND THE AMOUNT DESIGNATED BY THE INDIVIDUAL; AND**

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

4                   2. IF THE INDIVIDUAL IS NOT ENTITLED TO A  
5 REFUND, THE INDIVIDUAL SHALL ADD THE AMOUNT OF THE CONTRIBUTION TO  
6 THE INCOME TAX TO BE PAID WITH THE RETURN.

7                   (3) THE COMPTROLLER SHALL INCLUDE, WITH THE INDIVIDUAL  
8 INCOME TAX RETURN PACKAGE, A DESCRIPTION OF THE PURPOSES FOR WHICH  
9 THE MARYLAND MILITARY FAMILY RELIEF FUND WAS ESTABLISHED AND THE  
10 PURPOSES FOR WHICH THE FUND MAY BE USED.

11           (B) THE COMPTROLLER SHALL:

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

14                   (2) FROM THE CONTRIBUTIONS COLLECTED, DISTRIBUTE THE  
15 AMOUNT NECESSARY TO ADMINISTER THE CHECKOFF SYSTEM TO AN  
16 ADMINISTRATIVE COST ACCOUNT; AND

17                   (3) AFTER THE DISTRIBUTION UNDER ITEM (2) OF THIS  
18 SUBSECTION, DISTRIBUTE THE REMAINDER OF THE MONEY COLLECTED UNDER  
19 THIS SUBSECTION TO THE MARYLAND MILITARY FAMILY RELIEF FUND  
20 ESTABLISHED UNDER § 9-913 OF THE STATE GOVERNMENT ARTICLE.

21 10-804.

22           (I) AN INDIVIDUAL MAY DESIGNATE A CONTRIBUTION TO THE  
23 MARYLAND MILITARY FAMILY RELIEF FUND, ESTABLISHED UNDER § 9-913 OF  
24 THE STATE GOVERNMENT ARTICLE, BY THE CHECKOFF SYSTEM ON THE  
25 RETURN.

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 July 1, 2007, and shall be applicable to all taxable years beginning after December 31,  
28 2006.