

HOUSE BILL 1216

Q3

8lr3031

By: **Delegates Stein, Cardin, George, Morhaim, and Niemann**

Introduced and read first time: February 8, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification - Contributions to Volunteer Fire**
3 **Companies**

4 FOR the purpose of providing a subtraction modification under the Maryland income
5 tax for certain contributions by a corporation to a volunteer fire company;
6 requiring the Comptroller to issue certain donation certificates; authorizing
7 certain volunteer fire companies to provide certain donation certificates to
8 corporations for certain charitable contributions; providing that a donation
9 certificate may not be carried forward; providing for the application of this Act;
10 and generally relating to a subtraction modification for certain donations made
11 by a corporation to certain volunteer fire companies.

12 BY repealing and reenacting, without amendments,
13 Article - Tax - General
14 Section 10-308(a)
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2007 Supplement)

17 BY adding to
18 Article - Tax - General
19 Section 10-308(d)
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2007 Supplement)

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

24 **Article - Tax - General**

25 10-308.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In addition to the modification under § 10-307 of this subtitle, the
2 amounts under this section are subtracted from the federal taxable income of a
3 corporation to determine Maryland modified income.

4 (D) (1) **THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
5 **INCLUDES THE AMOUNT OF A CHARITABLE CONTRIBUTION MADE BY A**
6 **CORPORATION DURING THE TAXABLE YEAR TO A VOLUNTEER FIRE COMPANY IN**
7 **THE STATE UP TO THE AMOUNT OF ANY DONATION CERTIFICATE PROVIDED TO**
8 **THE CORPORATION BY THE VOLUNTEER FIRE COMPANY UNDER PARAGRAPH (3)**
9 **OF THIS SUBSECTION AND ATTACHED TO A CORPORATION TAX RETURN.**

10 (2) (I) **THE COMPTROLLER SHALL ISSUE DONATION**
11 **CERTIFICATES TO EACH VOLUNTEER FIRE COMPANY IN THE STATE.**

12 (II) **FOR ANY TAXABLE YEAR, THE COMPTROLLER MAY NOT**
13 **ISSUE DONATION CERTIFICATES, IN THE AGGREGATE, FOR MORE THAN**
14 **\$3,000,000.**

15 (3) (I) **SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
16 **A VOLUNTEER FIRE COMPANY MAY PROVIDE A DONATION CERTIFICATE TO A**
17 **CORPORATION IN THE AMOUNT OF A CHARITABLE CONTRIBUTION MADE BY THE**
18 **CORPORATION TO THE VOLUNTEER FIRE COMPANY DURING THE TAXABLE YEAR.**

19 (II) **THE TOTAL AMOUNT OF DONATION CERTIFICATES**
20 **PROVIDED TO CORPORATIONS BY A VOLUNTEER FIRE COMPANY FOR ANY**
21 **TAXABLE YEAR MAY NOT EXCEED THE TOTAL AMOUNT OF DONATION**
22 **CERTIFICATES ISSUED TO THE VOLUNTEER FIRE COMPANY BY THE**
23 **COMPTROLLER FOR THAT TAXABLE YEAR.**

24 (4) **ANY UNUSED DONATION CERTIFICATE MAY NOT BE CARRIED**
25 **OVER TO ANY OTHER TAXABLE YEAR.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,
28 2007.