SENATE BILL 6

Q3, J1 9lr0384 (PRE-FILED)

By: **Senator Harrington** Requested: July 1, 2008

Introduced and read first time: January 14, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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Income Tax Checkoff System - Health Care Coverage Fund

3 FOR the purpose of establishing a certain income tax checkoff system for voluntary contributions to the Health Care Coverage Fund; requiring the Comptroller to 4 5 include a checkoff on the individual income tax return; providing that the income tax checkoff system include a certain statement; requiring the 6 7 Comptroller to include certain information in each individual income tax return 8 package; requiring the Comptroller to collect and account for contributions 9 made through the checkoff system and to credit the proceeds to the Fund after 10 deducting the amount necessary to administer the checkoff; providing that the Fund may consist of certain contributions from the income tax checkoff system; 11 defining a certain term; providing for the application of this Act; and generally 12 13 relating to an income tax checkoff system for contributions to the Health Care Coverage Fund. 14

15 BY adding to

16 Article – Tax – General

17 Section 2–113 and 10–804(i)

18 Annotated Code of Maryland

19 (2004 Replacement Volume and 2008 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Health – General

22 Section 15–701(a) and (f)

23 Annotated Code of Maryland

24 (2005 Replacement Volume and 2008 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

26 MARYLAND, That the Laws of Maryland read as follows:



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Article - Tax - General

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- 3 (A) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL
- 4 INCOME TAX RETURN FORM A CHECKOFF DESIGNATED AS THE "HEALTH CARE
- 5 COVERAGE FUND CONTRIBUTION".

6 (2) THE CHECKOFF SHALL STATE THAT:

- 7 (I) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A
- 8 JOINT RETURN, MAY CONTRIBUTE TO THE HEALTH CARE COVERAGE FUND THE
- 9 AMOUNT DESIGNATED BY THE INDIVIDUAL; AND
- 10 (II) 1. THE INDIVIDUAL SHALL DEDUCT THE AMOUNT OF
- 11 THE CONTRIBUTION FROM ANY REFUND TO WHICH THE INDIVIDUAL IS
- 12 ENTITLED; OR
- 2. IF THE INDIVIDUAL IS NOT ENTITLED TO A
- 14 REFUND, THE INDIVIDUAL SHALL ADD THE AMOUNT OF THE CONTRIBUTION TO
- 15 THE INCOME TAX TO BE PAID WITH THE RETURN.
- 16 (3) THE COMPTROLLER SHALL INCLUDE, WITH THE INDIVIDUAL
- 17 INCOME TAX RETURN PACKAGE, A DESCRIPTION OF THE PURPOSES FOR WHICH
- 18 THE HEALTH CARE COVERAGE FUND WAS ESTABLISHED AND THE PURPOSES
- 19 FOR WHICH THE FUND MAY BE USED.

20 (B) THE COMPTROLLER SHALL:

- 21 (1) COLLECT THE CHECKOFF CONTRIBUTIONS AND ACCOUNT TO
- 22 THE STATE TREASURER FOR THE MONEY COLLECTED;
- 23 (2) FROM THE CONTRIBUTIONS COLLECTED, DISTRIBUTE THE
- 24 AMOUNT NECESSARY TO ADMINISTER THE CHECKOFF SYSTEM TO AN
- 25 ADMINISTRATIVE COST ACCOUNT; AND
- 26 (3) AFTER THE DISTRIBUTION UNDER ITEM (2) OF THIS
- 27 SUBSECTION, DISTRIBUTE THE REMAINDER OF THE MONEY COLLECTED UNDER
- 28 THIS SUBSECTION TO THE HEALTH CARE COVERAGE FUND ESTABLISHED
- 29 UNDER § 15–701 OF THE HEALTH GENERAL ARTICLE.
- 30 10-804.

1	(I) AN INDIVIDUAL MAY DESIGNATE A CONTRIBUTION TO THE HEALTH
2	CARE COVERAGE FUND, ESTABLISHED UNDER § 15–701 OF THE
3	HEALTH – GENERAL ARTICLE, BY THE CHECKOFF SYSTEM ON THE RETURN.
4	Article - Health - General
5	15–701.
6 7	(a) (1) In this [subtitle,] SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
8	(2) "Fund" means the Health Care Coverage Fund.
9 10	(3) "INCOME TAX CHECKOFF SYSTEM" MEANS THE CHECKOFF SYSTEM ESTABLISHED UNDER § 2–113 OF THE TAX – GENERAL ARTICLE.
11	(f) The Fund consists of:
12 13	(1) Moneys transferred from the Maryland Health Insurance Plan Fund;
14 15	(2) Moneys collected from any assessment by the State Health Services Cost Review Commission on hospitals under § 19–214(d) of this article;
16	(3) Any moneys made available from investment earnings; [and]
17 18 19	(4) THE NET PROCEEDS FROM CONTRIBUTIONS UNDER THE INCOME TAX CHECKOFF SYSTEM ESTABLISHED UNDER § 2–113 OF THE TAX – GENERAL ARTICLE; AND
20 21	[(4)] (5) Any other moneys from any other source accepted for the benefit of the Fund.
22 23 24	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2009, and shall be applicable to all taxable years beginning after December 31, 2008.