L1, Q3 2lr0355 **CF SB 882** Bv: Delegates Stukes, Anderson, Boteler. Braveboy, Burns. Carter. Clippinger, Conaway, Glenn, Gutierrez, Hammen, Harrison, Haynes, Walker, Howard. McHale. Mitchell. Tarrant, and Washington Washington, and O'Donnell

Introduced and read first time: January 25, 2012 Assigned to: Environmental Matters and Ways and Means

Committee Report: Favorable with amendments House action: Adopted Read second time: March 17, 2012

CHAPTER _____

1 AN ACT concerning

2 Local Government – Investment in Our Youth (IO–YOUth) Programs

3 FOR the purpose of authorizing a county to establish an Investment in Our Youth 4 (IO-YOUth) Program; providing that a Program must be established as a $\mathbf{5}$ qualified organization eligible to receive certain contributions under a certain 6 provision of federal law; specifying the purpose of the Program; requiring a $\overline{7}$ Program to provide summer jobs for certain youths by hiring them to work for a 8 certain county or by providing grants to certain nonprofit organizations that 9 will provide summer jobs; requiring a county that establishes a Program to 10 establish a committee to carry out the Program; specifying that a nonprofit 11 organization must meet certain requirements to be eligible for a grant from a 12Program; prohibiting a nonprofit organization that receives a grant from a 13 Program from using the grant for certain purposes; requiring a county that 14establishes a Program to establish a special fund that is to be used to fund the Program; specifying that the Program is to be funded by certain funds and 1516 donations; providing that certain funds may be used only for funding the 17Program; authorizing an employer to make a deduction from the wage of an 18 employee, under certain circumstances, for the benefit of a Program; requiring 19 that a certain written request include certain information; requiring certain 20employers to pay certain funds to the Comptroller; requiring the Comptroller to 21distribute to the to certain counties certain funds at certain times; requiring 22certain employers to report certain information to certain counties at certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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1	times: requiring a county that receives certain funds to pay the funds into a
2	certain special fund, except under certain circumstances; requiring a county
3	that receives certain funds to divide and distribute the funds equally to certain
4	counties under certain circumstances; specifying the amount of funds
5	distributed to a county under a certain provision of this Act; requiring the
6	Comptroller to distribute, at certain times, a certain amount of certain funds to
7	an administrative cost account; allowing an individual or a corporation a
8	subtraction modification under the Maryland income tax equal to the amount of
9	a donation to a Program if the donation is not allowed as a deduction under the
10	federal income tax; authorizing a county to receive certain direct donations for
11	the benefit of a Program; requiring certain counties to provide certain receipts
12	to certain persons; providing for the construction of a certain provision of this
13	Act; providing for the application of certain provisions of this Act; defining
14	certain terms; and generally relating to Investment in Our Youth (IO-YOUth)
15	Programs.
16	BY adding to
17	Article 24 – Political Subdivisions – Miscellaneous Provisions
18	Section 25–101 through 25–104 to be under the new title "Title 25. Investment
19	in Our Youth (IO-YOUth) Programs"
20	Annotated Code of Maryland
21	(2011 Replacement Volume)
22	BY repealing and reenacting, without amendments,
23	Article – Tax – General
24	Section 10–208(a) and 10–308(a)
25	Annotated Code of Maryland
26	(2010 Replacement Volume and 2011 Supplement)
27	BY adding to
28	Article – Tax – General
29	Section 10-208(r)
30	Annotated Code of Maryland
31	(2010 Replacement Volume and 2011 Supplement)
32	BY repealing and reenacting, with amendments,
33	Article – Tax – General
34	Section 10–308(b)
35	Annotated Code of Maryland
36	(2010 Replacement Volume and 2011 Supplement)
37	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
38	MARYLAND, That the Laws of Maryland read as follows:
39	Article 24 – Political Subdivisions – Miscellaneous Provisions
40	TITLE 25. INVESTMENT IN OUR YOUTH (IO-YOUTH) PROGRAMS.

25 - 101.

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2 IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS (A) 3 INDICATED. (B) "COMPTROLLER" MEANS THE STATE COMPTROLLER. 4 (1) "EMPLOYER" MEANS: HAS THE MEANING STATED IN § (C) (B) $\mathbf{5}$ **3401** OF THE INTERNAL REVENUE CODE. 6 7 (1) (2) A PERSON ENGAGED IN A BUSINESS, AN INDUSTRY, A PROFESSION, A TRADE, OR OTHER ENTERPRISE IN THE STATE; "EMPLOYER" 8 9 **INCLUDES:** 10 (2) (I) THE STATE AND ITS UNITS; (II) A COUNTY AND ITS UNITS; OR AND 11 (3) (III) A MUNICIPAL GOVERNMENT IN THE STATE. 12(4) 13 (C) "NONPROFIT ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501 OF THE INTERNAL REVENUE CODE. 14"PROGRAM" MEANS AN INVESTMENT IN OUR YOUTH (IO-YOUTH) **(**D**)** 15**PROGRAM.** 16 "SUMMER" MEANS THE PERIOD FROM JUNE 1 TO SEPTEMBER 30, 17(E) 18 **INCLUSIVE, OF EACH YEAR.** 25 - 102.19 (A) A COUNTY MAY ESTABLISH AN INVESTMENT IN OUR YOUTH 20 (IO-YOUTH) PROGRAM. 2122A PROGRAM SHALL BE ESTABLISHED AS A QUALIFIED **(B)** ORGANIZATION ELIGIBLE TO RECEIVE TAX-DEDUCTIBLE CHARITABLE 23CONTRIBUTIONS UNDER § 170(C) OF THE INTERNAL REVENUE CODE. 24THE PURPOSE OF A PROGRAM IS TO PROVIDE GRANTS TO 25(B) (C) **NONPROFIT ORGANIZATIONS TO PROVIDE** SUMMER JOBS FOR: 2627FOR YOUTHS WHO ARE AT LEAST 14 YEARS OLD AND NOT (1) 28MORE THAN 18 YEARS OLD; AND

	4 HOUSE BILL 215
$\frac{1}{2}$	(2) THAT ARE RELATED TO AND IN FURTHERANCE OF THE PURPOSES OF THE NONPROFIT ORGANIZATION.
3	(D) <u>A Program shall provide summer jobs for youths by:</u>
4 5	(1) HIRING YOUTHS TO WORK DURING THE SUMMER FOR THE COUNTY THAT ESTABLISHED THE PROGRAM; OR
$6 \\ 7$	(2) PROVIDING GRANTS TO NONPROFIT ORGANIZATIONS THAT WILL PROVIDE SUMMER JOBS FOR YOUTHS.
8 9	(C) (E) A COUNTY THAT ESTABLISHES A PROGRAM SHALL ESTABLISH A COMMITTEE TO CARRY OUT THE PROGRAM.
10 11	(D) (<u>F</u>) TO BE ELIGIBLE FOR A GRANT FROM A COUNTY'S PROGRAM, A NONPROFIT ORGANIZATION SHALL:
12	(1) OPERATE WITHIN THE COUNTY; AND
13 14	(2) MEET ANY OTHER REQUIREMENT ESTABLISHED UNDER THE PROGRAM.
$\begin{array}{c} 15\\ 16\end{array}$	(E) (G) A NONPROFIT ORGANIZATION THAT RECEIVES A GRANT FROM A PROGRAM MAY NOT USE THE GRANT TO:
17	(1) EMPLOY YOUTHS WHO DO NOT RESIDE IN THE COUNTY; OR
18 19	(2) PROVIDE JOBS AT SITES THAT ARE LOCATED OUTSIDE OF THE COUNTY.
20	25–103.
21 22 23	(A) (1) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO REQUIRE AN EMPLOYER TO MAKE A DEDUCTION FROM THE WAGE OF AN EMPLOYEE.
$\begin{array}{c} 24\\ 25\\ 26\end{array}$	(2) ON WRITTEN REQUEST OF AN EMPLOYEE, AN EMPLOYER MAY MAKE A DEDUCTION FROM THE WAGE OF AN EMPLOYEE FOR THE BENEFIT OF A PROGRAM ESTABLISHED BY A COUNTY UNDER § 25–102 OF THIS TITLE.
27 28	(3) THE WRITTEN REQUEST PROVIDED BY AN EMPLOYEE UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL INCLUDE:
29	(I) THE AMOUNT OF THE DEDUCTION;

T	(II) THE COUNTY TO WHICH THE FUNDS SHOULD BE
2	DISTRIBUTED UNDER SUBSECTION (C) OF THIS SECTION; AND
3	(III) Whether the Comptroller should refund the
4	funds deducted from the wage of the employee or <u>The employee's</u>
5	ACKNOWLEDGEMENT THAT THE COUNTY SPECIFIED UNDER ITEM (II) OF THIS
6	PARAGRAPH WILL DIVIDE AND DISTRIBUTE THE FUNDS EQUALLY AMONG THE
$\overline{7}$	REMAINING PROGRAMS ESTABLISHED UNDER § 25-102 OF THIS TITLE IN THE

8 EVENT THAT THE COUNTY SPECIFIED UNDER ITEM (II) OF THIS PARAGRAPH HAS 9 ENDED THE PROGRAM.

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(B) (1) AN EMPLOYER SHALL $\frac{PAY}{2}$:

11(I)DISTRIBUTE QUARTERLYTOTHECOMPTROLLERA12COUNTYANY FUNDS DEDUCTED BY THE EMPLOYER FROM THE WAGE OF AN13EMPLOYEEWHO IDENTIFIED THE COUNTYUNDER SUBSECTION (A) OF THIS14SECTION AS THE COUNTY TO WHICH THE FUNDS SHOULD BE DISTRIBUTED; AND

15 (II) <u>REPORT QUARTERLY TO THE COUNTY TO WHICH FUNDS</u>
ARE DISTRIBUTED UNDER ITEM (I) OF THIS PARAGRAPH THE NAME, ADDRESS,
AND OTHER INFORMATION PROVIDED BY THE EMPLOYEE UNDER SUBSECTION
(A) OF THIS SECTION.

19(2)THE AMOUNT OF FUNDS DISTRIBUTED TO A COUNTY UNDER20PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL THE AMOUNT OF FUNDS21DEDUCTED FROM THE WAGES OF EMPLOYEES WHO HAVE SPECIFIED THE22COUNTY ON THE WRITTEN REQUEST AS PROVIDED IN SUBSECTION (A) OF THIS23SECTION.

24(C)(1)EVERY 3 MONTHS, THE COMPTROLLER SHALL25DISTRIBUTE TO THE COUNTIES THE FUNDS THAT WERE PAID TO THE26COMPTROLLER UNDER SUBSECTION (B) OF THIS SECTION.

27 (II) A EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
28 SUBSECTION, A COUNTY THAT RECEIVES FUNDS UNDER SUBPARAGRAPH (I) OF
29 THIS PARAGRAPH SUBSECTION (B) OF THIS SECTION SHALL PAY THE FUNDS
30 INTO THE SPECIAL FUND ESTABLISHED UNDER § 25–104 OF THIS TITLE.

31 (2) IF A COUNTY HAS ENDED THE PROGRAM, THE COUNTY SHALL
32 DIVIDE AND DISTRIBUTE ANY FUNDS RECEIVED UNDER SUBSECTION (B) OF THIS
33 SECTION EQUALLY AMONG THE REMAINING PROGRAMS ESTABLISHED UNDER §
34 25–102 OF THIS TITLE.

1	(2) The amount of funds distributed to a county under
2	PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL THE AMOUNT OF FUNDS
3 4	DEDUCTED FROM THE WAGES OF EMPLOYEES WHO HAVE SPECIFIED THE COUNTY ON THE WRITTEN REQUEST AS PROVIDED IN SUBSECTION (A) OF THIS
$\frac{1}{5}$	SECTION LESS ANY AMOUNT DISTRIBUTED TO AN ADMINISTRATIVE ACCOUNT
6	UNDER PARAGRAPH (3) OF THIS SUBSECTION.
-	
7	(3) Every 3 months, the Comptroller shall distribute,
8	FROM THE FUNDS PAID TO THE COMPTROLLER UNDER SUBSECTION (B) OF THIS
9	SECTION, THE AMOUNT NECESSARY TO ADMINISTER PARAGRAPH (1) OF THIS
10	SUBSECTION IN THE PREVIOUS 3-MONTH PERIOD TO AN ADMINISTRATIVE COST
11	ACCOUNT.
12	(D) A COUNTY MAY RECEIVE A DIRECT DONATION FROM A PERSON FOR
13	THE BENEFIT OF A PROGRAM ESTABLISHED BY THE COUNTY UNDER § 25–102
14	OF THIS TITLE.
15	(E) (1) A COUNTY THAT RECEIVES FUNDS UNDER SUBSECTION (B) OR
16	(D) OF THIS SECTION SHALL PROVIDE A RECEIPT TO:
17	(I) EACH EMPLOYEE WHOSE INFORMATION WAS REPORTED
17	TO THE COUNTY BY THE EMPLOYER UNDER SUBSECTION (B) OF THIS SECTION;
10	AND
10	
20	(II) EACH PERSON FROM WHICH THE COUNTY RECEIVES A
21	DIRECT DONATION UNDER SUBSECTION (D) OF THIS SECTION.
22	(2) <u>A RECEIPT PROVIDED BY A COUNTY UNDER PARAGRAPH (1)</u>
$\frac{23}{24}$	OF THIS SUBSECTION SHALL INCLUDE A STATEMENT THAT THE AMOUNT OF THE DEDUCTION FROM THE EMPLOYEE'S WAGES OR THE AMOUNT OF THE DONATION
$\frac{24}{25}$	IS TAX-DEDUCTIBLE UNDER § 170(C) OF THE INTERNAL REVENUE CODE.
20	IS TAX DEDUCTIBLE UNDER § 170(C) OF THE INTERNAL REVENCE CODE.
26	25–104.
27	(A) A COUNTY THAT ESTABLISHES A PROGRAM SHALL ESTABLISH A
28	SPECIAL FUND TO BE USED TO FUND THE PROGRAM.
20	
29	(B) THE PROGRAM SHALL BE FUNDED BY:
30	(1) FUNDS DISTRIBUTED TO A COUNTY UNDER § 25–103 OF THIS
31	TITLE;
32	(2) FUNDS APPROPRIATED TO THE PROGRAM BY THE COUNTY;
33	AND

$\frac{1}{2}$	(3) DONATIONS RECEIVED BY THE COUNTY TO BE USED FOR THE PROGRAM.
3	(C) FUNDS IN THE SPECIAL FUND MAY BE USED ONLY FOR FUNDING
4	THE PROGRAM.
5	Article – Tax – General
6	10-208.
7	(a) In addition to the modification under § 10-207 of this subtitle, the
8	amounts under this section are subtracted from the federal adjusted gross income of a
9	resident to determine Maryland adjusted gross income.
10	(R) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
11	INCLUDES AN AMOUNT EQUAL TO THE AMOUNT OF A DONATION TO AN
12	INVESTMENT IN OUR YOUTH (IO-YOUTH) PROGRAM ESTABLISHED UNDER
13	ARTICLE 24, § 25–102 OF THE CODE IF THE DONATION IS NOT ALLOWED AS A
14	DEDUCTION UNDER § 170 OF THE INTERNAL REVENUE CODE.
15	10–308.
16	(a) In addition to the modification under § 10–307 of this subtitle, the
17	amounts under this section are subtracted from the federal taxable income of a
18	corporation to determine Maryland modified income.
19	(b) The subtraction under subsection (a) of this section includes the amounts
20	allowed to be subtracted for an individual under:
21	(1) § 10–208(d) of this title (Conservation tillage equipment expenses);
22	(2) § 10–208(i) of this title (Reforestation or timber stand expenses);
23	(3) § 10–208(k) of this title (Wage expenses for targeted jobs);
24	(4) § 10-208(m) of this title (Poultry or livestock manure spreading
25	equipment);-[and]
26	(5) § 10–208(p) of this title (Elevator handrails in health care
$\frac{20}{27}$	
41	facilities); AND
28	(6) § 10-208(r) of this title (Donation to an Investment in
29	OUR YOUTH (IO-YOUTH) PROGRAM).

7

1SECTION 2. AND BE IT FURTHER ENACTED, That §§ 10-208(r) and210-308(b)(6) of the Tax - General Article, as enacted by Section 1 of this Act, shall be3applicable to all taxable years beginning after December 31, 2011.

4 SECTION 3. <u>2.</u> AND BE IT FURTHER ENACTED, That this Act shall take 5 effect October 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.