

Department of Legislative Services  
Maryland General Assembly  
2012 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 215 (Delegate Stukes, *et al.*)

Environmental Matters and Ways and  
Means

Budget and Taxation

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**Baltimore City - Investment in Our Youth (IO-YOUTH) Pilot Program**

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This bill authorizes Baltimore City to establish an Investment in Our Youth Pilot Program that provides summer employment for youths by (1) hiring youths to work for the city; or (2) providing grants to nonprofit organizations that will provide jobs. The program must be established as a qualified organization eligible to receive tax-deductible charitable contributions. The program may be funded through voluntary employee payroll deductions from Maryland residents, Baltimore City appropriations, and donations from individuals.

The bill terminates September 30, 2015.

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**Fiscal Summary**

**State Effect:** General fund revenues may decrease in FY 2013 through 2016 due to additional tax deductible contributions made to the pilot program. General fund expenditures are not affected.

**Local Effect:** Potential decrease in local government revenues in FY 2013 through 2016 due to additional tax deductible contributions made to the pilot program. Baltimore City special fund revenues and expenditures may increase if the city establishes the program.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** Baltimore City is authorized to establish an Investment in Our Youth Pilot Program that provides summer employment to individuals aged 14 to 18 years old by (1) hiring the individuals directly to work for the city; or (2) providing grants to

nonprofit organizations that will provide jobs. If Baltimore City establishes the program it must establish a committee to implement the program and a special fund for the program. The program must be established as a qualified organization eligible to receive tax-deductible charitable contributions under the Internal Revenue Code. To be eligible for the program, a nonprofit organization must meet certain requirements, including that the organization (1) operate within the city; and (2) employ city residents at job sites located within the city.

The program may be funded through tax-deductible voluntary employee payroll deductions from Maryland residents, personal donations, and from city appropriations. On written request of an employee, an employer may make a payroll deduction to the program. The bill specifies, however, that employers may not be required to make these deductions. Employers must distribute any funds deducted to the city on a quarterly basis.

**Current Law:** Individuals who itemize deductions can deduct eligible charitable donations, which typically lowers federal and State income tax liability.

**State Fiscal Effect:** This bill authorizes Baltimore City to establish a program that provides summer employment to city youths, provides that the program may be funded through voluntary tax-deductible employee payroll deductions beginning in tax year 2012 and ending in tax year 2015. Accordingly, general fund revenues may decrease in fiscal 2013 through fiscal 2016. However, the amount of the revenue loss cannot be reliably estimated and depends on the amount of eligible deductions and donations made by individuals.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** SB 882 (Senator Jones-Rodwell) - Budget and Taxation.

**Information Source(s):** Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - February 21, 2012  
mlm/jrb Revised - House Third Reader - March 24, 2012  
Revised - Enrolled Bill - May 21, 2012

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