

SENATE BILL 108

Q3

0lr1128

(PRE-FILED)

By: **Senator Ellis**

Requested: October 30, 2019

Introduced and read first time: January 8, 2020

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Qualified Commuters**

3 FOR the purpose of allowing a credit against the State income tax for certain commuting
4 costs incurred by certain individuals; providing for the calculation of the credit;
5 making the credit refundable; requiring a qualified individual to submit a certain
6 application to the Department of Transportation on or before a certain date;
7 requiring the Department to approve certain applications and provide certain
8 certifications within a certain time period and to report certain information to the
9 Comptroller on or before a certain date; requiring the Department to report to the
10 General Assembly on or before a certain date each year; requiring the Department
11 to adopt certain regulations; defining certain terms; providing for the application and
12 termination of this Act; and generally relating to a credit against the State income
13 tax for qualified commuters.

14 BY adding to

15 Article – Tax – General

16 Section 10–751

17 Annotated Code of Maryland

18 (2016 Replacement Volume and 2019 Supplement)

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

21 **Article – Tax – General**

22 **10–751.**

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) “DEPARTMENT” MEANS THE DEPARTMENT OF**
2 **TRANSPORTATION.**

3 **(3) (I) “QUALIFIED INDIVIDUAL” MEANS AN INDIVIDUAL WHO**
4 **COMMUTES TO AND FROM THE INDIVIDUAL’S PLACE OF EMPLOYMENT AT LEAST:**

5 **1. 40 MILES BUT NOT MORE THAN 120 MILES EACH DAY,**
6 **AT LEAST 3 DAYS BUT NOT MORE THAN 5 DAYS EACH WEEK; OR**

7 **2. 6,240 MILES BUT NOT MORE THAN 31,200 MILES EACH**
8 **YEAR.**

9 **(II) “QUALIFIED INDIVIDUAL” DOES NOT INCLUDE AN**
10 **INDIVIDUAL WHO RESIDES WITHIN A 5-MILE RADIUS OF A COMMUTER RAIL STATION.**

11 **(B) A QUALIFIED INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE**
12 **INCOME TAX FOR COMMUTING COSTS INCURRED DURING THE TAXABLE YEAR IN THE**
13 **AMOUNT DETERMINED UNDER SUBSECTION (C) OF THIS SECTION.**

14 **(C) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION IS EQUAL**
15 **TO THE GREATER OF THE PRODUCT OF:**

16 **(1) 10% OF THE CURRENT MOTOR FUEL TAX RATE AS DETERMINED**
17 **AND ANNOUNCED BY THE COMPTROLLER IN ACCORDANCE WITH §§ 9-305 AND**
18 **9-306 OF THIS ARTICLE; AND**

19 **(2) (I) THE PRODUCT OF:**

20 **1. THE NUMBER OF DAILY COMMUTING MILES,**
21 **TOTALING AT LEAST 40 MILES BUT NOT EXCEEDING 120 MILES;**

22 **2. THE NUMBER OF WEEKLY COMMUTING DAYS,**
23 **TOTALING AT LEAST 3 DAYS BUT NOT EXCEEDING 5 DAYS; AND**

24 **3. THE NUMBER OF ANNUAL COMMUTING WEEKS, NOT**
25 **EXCEEDING 52 WEEKS; OR**

26 **(II) THE NUMBER OF ANNUAL COMMUTING MILES, TOTALING AT**
27 **LEAST 6,240 MILES BUT NOT EXCEEDING 31,200 MILES.**

28 **(D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**
29 **EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE QUALIFIED**

1 INDIVIDUAL MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

2 (E) (1) ON OR BEFORE JANUARY 31 OF THE CALENDAR YEAR FOLLOWING
3 THE TAXABLE YEAR THAT A QUALIFIED INDIVIDUAL INCURS COMMUTING COSTS,
4 THE QUALIFIED INDIVIDUAL SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT
5 FOR THE CREDIT AUTHORIZED UNDER THIS SECTION.

6 (2) THE APPLICATION SHALL INCLUDE:

7 (I) PROOF OF THE QUALIFIED INDIVIDUAL'S PERMANENT
8 ADDRESS;

9 (II) PROOF THAT THE QUALIFIED INDIVIDUAL'S MOTOR
10 VEHICLE REGISTRATION ADDRESS IS IDENTICAL TO THE QUALIFIED INDIVIDUAL'S
11 PERMANENT ADDRESS;

12 (III) CERTIFICATION BY THE QUALIFIED INDIVIDUAL'S
13 EMPLOYER THAT ESTABLISHES THE QUALIFIED INDIVIDUAL'S:

14 1. ADDRESS OF EMPLOYMENT; AND

15 2. AVERAGE NUMBER OF DAYS WORKED EACH WEEK;
16 AND

17 (IV) ANY OTHER INFORMATION REQUIRED BY THE
18 DEPARTMENT.

19 (3) THE DEPARTMENT SHALL:

20 (I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR A CREDIT
21 UNDER THIS SECTION;

22 (II) WITHIN 45 DAYS AFTER RECEIPT OF AN APPLICATION,
23 CERTIFY THE AMOUNT OF ANY APPROVED TAX CREDITS TO A QUALIFIED
24 INDIVIDUAL; AND

25 (III) ON OR BEFORE MARCH 25 EACH YEAR, REPORT TO THE
26 COMPTROLLER THE AMOUNT OF TAX CREDIT CERTIFICATES ISSUED UNDER THIS
27 SECTION.

28 (F) ON OR BEFORE JULY 1 EACH YEAR, THE DEPARTMENT SHALL REPORT,
29 SUBJECT TO § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL
30 ASSEMBLY ON THE AGGREGATE AMOUNT OF TAX CREDIT CERTIFICATES ISSUED

1 DURING THE IMMEDIATELY PRECEDING FISCAL YEAR.

2 (G) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE
3 PROVISIONS OF THIS SECTION AND TO SPECIFY CRITERIA AND PROCEDURES FOR
4 APPLICATION AND APPROVAL OF TAX CREDIT CERTIFICATES FOR THE TAX CREDIT
5 UNDER THIS SECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2020, and shall be applicable to all taxable years beginning after December 31, 2019. It
8 shall remain effective for a period of 10 years and 6 months and, at the end of December
9 31, 2030, this Act, with no further action required by the General Assembly, shall be
10 abrogated and of no further force and effect.