

Department of Legislative Services  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 651

(Senator Young, *et al.*)

Budget and Taxation

Ways and Means

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**Income Tax - Subtraction Modification - Living Organ Donors**

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This bill expands the existing living organ donor State income tax subtraction modification by (1) increasing from \$7,500 to \$10,000 the maximum value of the subtraction modification and (2) by allowing individuals to deduct unreimbursed child or elder care expenses and medication expenses attributable to a qualified organ donation. **The bill takes effect July 1, 2020, and applies to tax year 2020 and beyond.**

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**Fiscal Summary**

**State Effect:** General fund revenues will decrease by a minimal amount beginning in FY 2021 as a result of additional subtraction modifications claimed against the personal income tax. The annual revenue loss is expected to be less than \$10,000. Expenditures are not affected.

**Local Effect:** Local revenues decrease by a minimal amount beginning in FY 2021. The annual revenue loss is expected to be less than \$6,500. Local expenditures are not affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Chapter 36 of 2018 established a subtraction modification for up to \$7,500 of the qualified expenses incurred by a living organ donor. An individual who donates all or part of the individual's liver, kidney, intestine, pancreas, lung, or bone marrow for transplant in another individual is eligible to claim the subtraction modification. Eligible expenses include the unreimbursed travel and lodging expenses and

lost wages that are attributable to the organ donation. Subtraction modifications can be claimed beginning with tax year 2018.

**Background:** In 2017, 360 organs were donated in Maryland, of which 144 were from living donors and 216 were from deceased individuals. Despite the advances in organ transplant medicine and increased awareness, the organ donor waiting list has grown over time both in the United States and Maryland.

**State Revenues:** The bill expands the living organ donor subtraction modification beginning in tax year 2020. Based on the number of expected qualifying donors, general fund revenues will decrease by a minimal amount beginning in fiscal 2021. The annual revenue loss is expected to be less than \$10,000.

**Local Revenues:** Local income tax revenues will decrease by a minimal amount beginning in fiscal 2021 as a result of additional subtraction modifications claimed against the personal income tax. The annual revenue loss is expected to be less than \$6,500.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** HB 944 (Delegates K. Young and Guyton) - Ways and Means.

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

**Fiscal Note History:** First Reader - February 21, 2020  
rh/hlb Third Reader - April 6, 2020  
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