

HOUSE BILL 421

Q3, F2

(PRE-FILED)

11r0433
CF SB 480

By: **Delegate Rosenberg**

Requested: July 10, 2020

Introduced and read first time: January 13, 2021

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2021

CHAPTER _____

1 AN ACT concerning

2 **Income Tax Distribution – Tax Clinics for Low-Income Marylanders**

3

4 FOR the purpose of requiring ~~that each fiscal year, for a certain fiscal year,~~ the Comptroller
5 to distribute a certain amount of income tax revenue from individuals to the Tax
6 Clinics for Low-Income Marylanders Fund; establishing the Tax Clinics for
7 Low-Income Marylanders Fund as a special, nonlapsing fund; specifying the purpose
8 of the Fund; requiring the ~~Secretary of Higher Education~~ Comptroller to administer
9 the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to
10 account for the Fund; requiring the Governor to include in the annual budget bill an
11 appropriation to the Fund; specifying the contents of the Fund; specifying the
12 purpose for which the Fund may be used; providing for the investment of money in
13 and expenditures from the Fund; making a conforming change; defining a certain
14 term; and generally relating to ~~the distribution of income tax revenue from tax clinics~~
15 for low-income individuals.

16 ~~BY adding to~~

17 ~~Article – Education~~

18 ~~Section 11-409~~

19 ~~Annotated Code of Maryland~~

20 ~~(2018 Replacement Volume and 2020 Supplement)~~

21 BY adding to

22 Article – Tax – General

23 Section 1-206 and 2-608.2

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 Annotated Code of Maryland
2 (2016 Replacement Volume and 2020 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Tax – General
5 Section 2–609
6 Annotated Code of Maryland
7 (2016 Replacement Volume and 2020 Supplement)

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

10 ~~Article – Education~~

11 ~~11-409.~~

12 Article – Tax – General

13 1-206.

14 (A) IN THIS SECTION, “FUND” MEANS THE TAX CLINICS FOR LOW-INCOME
15 MARYLANDERS FUND.

16 (B) THERE IS A TAX CLINICS FOR LOW-INCOME MARYLANDERS FUND.

17 (C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO THE
18 UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE
19 SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE TO
20 OPERATE TAX CLINICS FOR LOW-INCOME MARYLAND RESIDENTS.

21 (D) ~~THE SECRETARY~~ COMPTROLLER SHALL ADMINISTER THE FUND.

22 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
23 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

24 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
25 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

26 (F) THE FUND CONSISTS OF:

27 (1) ~~REVENUE~~ REVENUE DISTRIBUTED TO THE FUND UNDER § 2-608.2
28 ~~OF THE TAX – GENERAL ARTICLE~~ THIS ARTICLE;

29 (2) ~~MONEY~~ MONEY APPROPRIATED IN THE STATE BUDGET FOR THE
30 FUND; AND

1 (3) ~~ANY~~ ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
2 FOR THE BENEFIT OF THE FUND.

3 (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND
4 MAY BE USED ONLY TO PROVIDE GRANTS TO THE UNIVERSITY OF MARYLAND
5 SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW, AND THE
6 MARYLAND VOLUNTEER LAWYERS SERVICE TO OPERATE TAX CLINICS FOR
7 LOW-INCOME MARYLAND RESIDENTS.

8 (2) FOR EACH FISCAL YEAR, THE TOTAL AMOUNT OF GRANT MONEY
9 EXPENDED FROM THE FUND TO SUPPORT TAX CLINICS SHALL BE DISTRIBUTED AS
10 FOLLOWS:

11 (I) 40% TO THE UNIVERSITY OF MARYLAND SCHOOL OF LAW;

12 (II) 40% TO THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW;

13 AND

14 (III) 20% TO THE MARYLAND VOLUNTEER LAWYERS SERVICE.

15 (H) EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL
16 BUDGET BILL AN APPROPRIATION TO THE FUND.

17 ~~(I)~~ (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE
18 FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

19 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
20 THE GENERAL FUND OF THE STATE.

21 ~~(J)~~ (J) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN
22 ACCORDANCE WITH THE STATE BUDGET.

23 ~~(K)~~ (K) MONEY EXPENDED FROM THE FUND TO SUPPORT TAX CLINICS AT
24 THE UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE
25 SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE IS
26 SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT
27 OTHERWISE WOULD BE APPROPRIATED FOR TAX CLINICS.

28 ~~Article Tax General~~

29 2-608.2.

30 ~~EACH FISCAL YEAR~~ FOR FISCAL YEAR 2022, AFTER MAKING THE

1 DISTRIBUTIONS REQUIRED UNDER §§ 2-604 THROUGH 2-608.1 OF THIS SUBTITLE,
2 FROM THE REMAINING INCOME TAX REVENUE FROM INDIVIDUALS, THE
3 COMPTROLLER SHALL DISTRIBUTE ~~\$250,000~~ \$100,000 TO THE TAX CLINICS FOR
4 LOW-INCOME MARYLANDERS FUND ESTABLISHED UNDER § ~~11-409 OF THE~~
5 ~~EDUCATION ARTICLE~~ 1-206 OF THIS ARTICLE.

6 2-609.

7 After making the distributions required under §§ 2-604 through [2-608.1] **2-608.2**
8 of this subtitle, and after making the distributions required under §§ 7-329 and 7-330 of
9 the State Finance and Procurement Article, the Comptroller shall distribute the remaining
10 income tax revenue from individuals to the General Fund of the State.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.