

SENATE BILL 480

Q3, F2

1r1707
CF HB 421

By: **Senator Zucker**

Introduced and read first time: January 20, 2021

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 10, 2021

CHAPTER _____

1 AN ACT concerning

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

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

13 BY adding to

14 Article – Education

15 Section 11–409

16 Annotated Code of Maryland

17 (2018 Replacement Volume and 2020 Supplement)

18 BY adding to

19 Article – Tax – General

20 Section 2–608.2

21 Annotated Code of Maryland

22 (2016 Replacement Volume and 2020 Supplement)

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

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

8 **Article – Education**

9 **11–409.**

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

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

13 (C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO THE
14 UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE
15 SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE TO
16 OPERATE TAX CLINICS FOR LOW-INCOME MARYLAND RESIDENTS.

17 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

22 (F) THE FUND CONSISTS OF:

23 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 2–608.2 OF THE
24 TAX – GENERAL ARTICLE;

25 (2) MONEY APPROPRIATED IN THE STATE BUDGET FOR THE FUND;
26 AND

27 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
28 THE BENEFIT OF THE FUND.

29 (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND
30 MAY BE USED ONLY TO PROVIDE GRANTS TO THE UNIVERSITY OF MARYLAND
31 SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW, AND THE

1 MARYLAND VOLUNTEER LAWYERS SERVICE TO OPERATE TAX CLINICS FOR
2 LOW-INCOME MARYLAND RESIDENTS.

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

6 (I) ~~40%~~ ONE-THIRD TO THE UNIVERSITY OF MARYLAND
7 SCHOOL OF LAW;

8 (II) ~~40%~~ ONE-THIRD TO THE UNIVERSITY OF BALTIMORE
9 SCHOOL OF LAW; AND

10 (III) ~~20%~~ ONE-THIRD TO THE MARYLAND VOLUNTEER
11 LAWYERS SERVICE.

12 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
13 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

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

16 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
17 WITH THE STATE BUDGET.

18 (J) MONEY EXPENDED FROM THE FUND TO SUPPORT TAX CLINICS AT THE
19 UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE
20 SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE IS
21 SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT
22 OTHERWISE WOULD BE APPROPRIATED FOR TAX CLINICS.

23 Article - Tax - General

24 2-608.2.

25 EACH FISCAL YEAR, AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§
26 2-604 THROUGH 2-608.1 OF THIS SUBTITLE, FROM THE REMAINING INCOME TAX
27 REVENUE FROM INDIVIDUALS, THE COMPTROLLER SHALL DISTRIBUTE \$250,000 TO
28 THE TAX CLINICS FOR LOW-INCOME MARYLANDERS FUND ESTABLISHED UNDER §
29 11-409 OF THE EDUCATION ARTICLE.

30 2-609.

31 After making the distributions required under §§ 2-604 through [2-608.1] 2-608.2

1 of this subtitle, and after making the distributions required under §§ 7–329 and 7–330 of
2 the State Finance and Procurement Article, the Comptroller shall distribute the remaining
3 income tax revenue from individuals to the General Fund of the State.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2021.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.