

# SENATE BILL 480

Q3, F2

1lr1707  
CF HB 421

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By: **Senator Zucker**

Introduced and read first time: January 20, 2021

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

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

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

14 BY adding to

15 Article – Education

16 Section 11–409

17 Annotated Code of Maryland

18 (2018 Replacement Volume and 2020 Supplement)

19 BY adding to

20 Article – Tax – General

21 Section 2–608.2

22 Annotated Code of Maryland

23 (2016 Replacement Volume and 2020 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – Tax – General

26 Section 2–609

27 Annotated Code of Maryland

28 (2016 Replacement Volume and 2020 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Education**

4 **11-409.**

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

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

8 (C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO THE  
9 UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE  
10 SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE TO  
11 OPERATE TAX CLINICS FOR LOW-INCOME MARYLAND RESIDENTS.

12 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

17 (F) THE FUND CONSISTS OF:

18 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-608.2 OF THE  
19 TAX – GENERAL ARTICLE;

20 (2) MONEY APPROPRIATED IN THE STATE BUDGET FOR THE FUND;  
21 AND

22 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR  
23 THE BENEFIT OF THE FUND.

24 (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND  
25 MAY BE USED ONLY TO PROVIDE GRANTS TO THE UNIVERSITY OF MARYLAND  
26 SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE SCHOOL OF LAW, AND THE  
27 MARYLAND VOLUNTEER LAWYERS SERVICE TO OPERATE TAX CLINICS FOR  
28 LOW-INCOME MARYLAND RESIDENTS.

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

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

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

3 **AND**

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

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

7                   **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
8 **THE GENERAL FUND OF THE STATE.**

9           **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
10 **WITH THE STATE BUDGET.**

11           **(J) MONEY EXPENDED FROM THE FUND TO SUPPORT TAX CLINICS AT THE**  
12 **UNIVERSITY OF MARYLAND SCHOOL OF LAW, THE UNIVERSITY OF BALTIMORE**  
13 **SCHOOL OF LAW, AND THE MARYLAND VOLUNTEER LAWYERS SERVICE IS**  
14 **SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT**  
15 **OTHERWISE WOULD BE APPROPRIATED FOR TAX CLINICS.**

16   **Article – Tax – General**

17 **2–608.2.**

18           **EACH FISCAL YEAR, AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§**  
19 **2–604 THROUGH 2–608.1 OF THIS SUBTITLE, FROM THE REMAINING INCOME TAX**  
20 **REVENUE FROM INDIVIDUALS, THE COMPTROLLER SHALL DISTRIBUTE \$250,000 TO**  
21 **THE TAX CLINICS FOR LOW-INCOME MARYLANDERS FUND ESTABLISHED UNDER §**  
22 **11–409 OF THE EDUCATION ARTICLE.**

23 **2–609.**

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

28           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**  
29 **1, 2021.**