

SENATE BILL 622

Q3

11r2330
CF HB 711

By: **Senator Edwards**

Introduced and read first time: January 29, 2021

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Donations to Diaper Banks and Other**
3 **Charitable Entities**

4 FOR the purpose of allowing a subtraction under the Maryland income tax for donations of
5 certain disposable diapers, certain hygiene products, and certain monetary gifts
6 made by a taxpayer during the taxable year to certain qualified charitable entities;
7 requiring the taxpayer to file certain information with the taxpayer’s income tax
8 return in order to claim the subtraction; requiring the Department of Human
9 Services to adopt certain regulations; defining certain terms; providing for the
10 application of this Act; and generally relating to a subtraction under the Maryland
11 income tax for donations of diapers, hygiene products, or monetary gifts to charitable
12 entities.

13 BY repealing and reenacting, without amendments,
14 Article – Tax – General
15 Section 10–208(a) and 10–308(a)
16 Annotated Code of Maryland
17 (2016 Replacement Volume and 2020 Supplement)

18 BY adding to
19 Article – Tax – General
20 Section 10–208(y)
21 Annotated Code of Maryland
22 (2016 Replacement Volume and 2020 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article – Tax – General
25 Section 10–308(b)
26 Annotated Code of Maryland
27 (2016 Replacement Volume and 2020 Supplement)

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 – Tax – General**

4 10–208.

5 (a) In addition to the modification under § 10–207 of this subtitle, the amounts
6 under this section are subtracted from the federal adjusted gross income of a resident to
7 determine Maryland adjusted gross income.

8 **(Y) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**
9 **MEANINGS INDICATED.**

10 **(II) “DEPARTMENT” MEANS THE DEPARTMENT OF HUMAN**
11 **SERVICES.**

12 **(III) “DIAPER BANK” MEANS A NONPROFIT ORGANIZATION**
13 **LOCATED IN THE STATE THAT:**

14 **1. IS QUALIFIED AS TAX EXEMPT UNDER § 501(C)(3) OF**
15 **THE INTERNAL REVENUE CODE;**

16 **2. IS ESTABLISHED AND OPERATING PRIMARILY FOR**
17 **THE PURPOSE OF COLLECTING OR PURCHASING DISPOSABLE DIAPERS OR OTHER**
18 **HYGIENE PRODUCTS FOR INFANTS OR CHILDREN; AND**

19 **3. DISTRIBUTES THOSE DIAPERS OR HYGIENE**
20 **PRODUCTS THROUGH SCHOOLS, HEALTH CARE FACILITIES, GOVERNMENT**
21 **AGENCIES, OR OTHER NONPROFIT ENTITIES FOR EVENTUAL DISTRIBUTION TO**
22 **INDIVIDUALS FREE OF CHARGE.**

23 **(IV) “DONATION” MEANS AN IRREVOCABLE GIFT OF:**

24 **1. DISPOSABLE DIAPERS, OTHER HYGIENE PRODUCTS**
25 **FOR INFANTS OR CHILDREN, OR FEMININE PERSONAL HYGIENE PRODUCTS; OR**

26 **2. CASH THAT IS SPECIFICALLY DESIGNATED FOR THE**
27 **PURCHASE OF DISPOSABLE DIAPERS, OTHER HYGIENE PRODUCTS FOR INFANTS OR**
28 **CHILDREN, OR FEMININE PERSONAL HYGIENE PRODUCTS.**

29 **(V) “FEMININE PERSONAL HYGIENE PRODUCTS” MEANS**
30 **SANITARY PADS, TAMPONS, MENSTRUAL SPONGES, MENSTRUAL CUPS, OR OTHER**
31 **SIMILAR FEMININE HYGIENE PRODUCTS, WHETHER REUSABLE OR DISPOSABLE.**

1 **(VI) “QUALIFIED CHARITABLE ENTITY” MEANS A DIAPER BANK,**
2 **HOMELESS SHELTER, DOMESTIC VIOLENCE SHELTER, RELIGIOUS ORGANIZATION,**
3 **OR OTHER CHARITABLE ORGANIZATION THAT HAS REGISTERED WITH THE**
4 **DEPARTMENT AS A DISTRIBUTOR OF DISPOSABLE DIAPERS, OTHER HYGIENE**
5 **PRODUCTS FOR INFANTS OR CHILDREN, OR FEMININE PERSONAL HYGIENE**
6 **PRODUCTS.**

7 **(2) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE**
8 **SUBTRACTION ALLOWED UNDER SUBSECTION (A) OF THIS SECTION INCLUDES UP TO**
9 **\$1,000 OF DONATIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A**
10 **QUALIFIED CHARITABLE ENTITY.**

11 **(3) TO QUALIFY FOR THE SUBTRACTION UNDER THIS SUBSECTION,**
12 **THE TAXPAYER SHALL FILE WITH THE TAXPAYER’S INCOME TAX RETURN:**

13 **(I) THE NAME OF EACH QUALIFIED CHARITABLE ENTITY TO**
14 **WHICH A DONATION WAS MADE;**

15 **(II) PROOF OF THE VALUE OF THE DONATION; AND**

16 **(III) ANY OTHER INFORMATION THAT THE COMPTROLLER**
17 **REQUIRES.**

18 **(4) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT**
19 **THE PROVISIONS OF THIS SECTION, INCLUDING THE CRITERIA AND PROCEDURES**
20 **FOR REGISTRATION AS A QUALIFIED CHARITABLE ENTITY.**

21 10–308.

22 (a) In addition to the modification under § 10–307 of this subtitle, the amounts
23 under this section are subtracted from the federal taxable income of a corporation to
24 determine Maryland modified income.

25 (b) The subtraction under subsection (a) of this section includes the amounts
26 allowed to be subtracted for an individual under:

27 (1) § 10–208(d) of this title (Enhanced agricultural management
28 equipment expenses);

29 (2) § 10–208(i) of this title (Reforestation or timber stand expenses);

30 (3) § 10–208(k) of this title (Wage expenses for targeted jobs); [and]

31 (4) § 10–208(p) of this title (Elevator handrails in health care facilities);

1 AND

2 (5) § 10-208(Y) OF THIS TITLE (DONATIONS TO DIAPER BANKS AND
3 OTHER CHARITABLE ENTITIES).

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.