

# HOUSE BILL 490

Q3

4r1602  
CF SB 1115

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By: **Delegates D. Jones, Allen, Anderton, Bagnall, Bartlett, Boaf, Ebersole, Fair, Feldmark, Forbes, Griffith, Lehman, and Mireku–North**

Introduced and read first time: January 22, 2024

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2024

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Income Tax – Subtraction Modification for Donations to Diaper Banks and**  
3 **Other Charitable Entities – Sunset ~~Repeal~~ Extension**

4 FOR the purpose of ~~repealing certain termination provisions relating~~ extending the  
5 termination date applicable to a subtraction under the Maryland income tax for  
6 certain donations to diaper banks and other certain charitable entities; and generally  
7 relating to a subtraction under the Maryland income tax for donations to diaper  
8 banks and other charitable entities.

9 BY repealing and reenacting, without amendments,  
10 Article – Tax – General  
11 Section 10–208(a) and (z) and 10–308(a) and (b)  
12 Annotated Code of Maryland  
13 (2022 Replacement Volume and 2023 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Chapter 221 of the Acts of the General Assembly of 2021  
16 Section 3

17 BY repealing and reenacting, with amendments,  
18 Chapter 222 of the Acts of the General Assembly of 2021  
19 Section 3

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### 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 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 (z) (1) (i) In this subsection the following words have the meanings  
9 indicated.

10 (ii) “Diaper bank” means a nonprofit organization located in the  
11 State that:

12 1. is qualified as tax exempt under § 501(c)(3) of the Internal  
13 Revenue Code;

14 2. is established and operating primarily for the purpose of  
15 collecting or purchasing disposable diapers or other hygiene products for infants or  
16 children; and

17 3. distributes those diapers or hygiene products through  
18 schools, health care facilities, government agencies, or other nonprofit entities for eventual  
19 distribution to individuals free of charge.

20 (iii) “Donation” means an irrevocable gift of:

21 1. disposable diapers, other hygiene products for infants or  
22 children, or feminine personal hygiene products; or

23 2. cash that is specifically designated for the purchase of  
24 disposable diapers, other hygiene products for infants or children, or feminine personal  
25 hygiene products.

26 (iv) “Feminine personal hygiene products” means sanitary pads,  
27 tampons, menstrual sponges, menstrual cups, or other similar feminine hygiene products,  
28 whether reusable or disposable.

29 (v) “Qualified charitable entity” means a diaper bank, homeless  
30 shelter, domestic violence shelter, religious organization, or other charitable organization  
31 that has registered with the Comptroller as a distributor of disposable diapers, other  
32 hygiene products for infants or children, or feminine personal hygiene products.

1           (2) Subject to the limitations of this subsection, the subtraction allowed  
2 under subsection (a) of this section includes up to \$1,000 of donations made by the taxpayer  
3 during the taxable year to a qualified charitable entity.

4           (3) To qualify for the subtraction under this subsection, the taxpayer shall  
5 file with the taxpayer's income tax return:

6           (i) the name of each qualified charitable entity to which a donation  
7 was made;

8           (ii) proof of the value of the donation; and

9           (iii) any other information that the Comptroller requires.

10          (4) The Comptroller shall adopt regulations to carry out the provisions of  
11 this section, including the criteria and procedures for registration as a qualified charitable  
12 entity.

13 10-308.

14          (a) In addition to the modification under § 10-307 of this subtitle, the amounts  
15 under this section are subtracted from the federal taxable income of a corporation to  
16 determine Maryland modified income.

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

19           (1) § 10-208(d) of this title (Enhanced agricultural management  
20 equipment expenses);

21           (2) § 10-208(i) of this title (Reforestation or timber stand expenses);

22           (3) § 10-208(k) of this title (Wage expenses for targeted jobs);

23           (4) § 10-208(p) of this title (Elevator handrails in health care facilities);

24           (5) § 10-208(z) of this title (Donations to diaper banks and other charitable  
25 entities); and

26           (6) § 10-208(bb) of this title (Trade or business expenses of medical  
27 cannabis grower, processor, dispensary, or any other cannabis establishment).

## 28 Chapter 221 of the Acts of 2021

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
30 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020~~1~~,  
31 but before January 1, ~~2024~~ 2027. It shall remain effective for a period of ~~3~~ 6 years and, at

1 the end of June 30, ~~2024~~ **2027**, this Act, with no further action required by the General  
2 Assembly, shall be abrogated and of no further force and effect~~†~~.

3 **Chapter 222 of the Acts of 2021**

4 SECTION 3. 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~~†~~,  
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7 the end of June 30, ~~2024~~ **2027**, this Act, with no further action required by the General  
8 Assembly, shall be abrogated and of no further force and effect~~†~~.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
10 1, 2024.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.