

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1192  
Ways and Means

(Delegate R. Long, *et al.*)

---

**Income, Sales and Use, and Property Taxes - Rescission of Exempt Status for  
Nonprofit Organizations for Supporting Terrorist Organizations**

---

This bill requires the Comptroller and the Director of the State Department of Assessments and Taxation (SDAT) to jointly determine, on a regular basis, if any nonprofit organization in the State has been found to be a terrorist-supporting organization. If such a determination is made, in any of the three immediately preceding taxable years, the nonprofit organization's tax-exempt status with respect to the income tax, sales and use tax, and certain property tax exemptions must be rescinded. The bill provides for the: (1) determination to rescind an organization's tax-exempt status; (2) notification of rescission to the organization; (3) appeal of the determination to rescind tax-exempt status to the Maryland Tax Court; and (4) reinstatement of the tax-exempt status. The Comptroller and the SDAT Director must adopt regulations to carry out the provisions of the bill. **The bill takes effect June 1, 2025.**

---

**Fiscal Summary**

**State Effect:** None. The bill's requirements can be handled with the existing resources of the Comptroller's Office and SDAT.

**Local Effect:** None.

**Small Business Effect:** None.

---

**Analysis**

**Current Law:** Qualified nonprofit organizations are generally exempt from federal and State income tax. In addition, there are numerous exemptions from the State sales and use

tax, including sales to and by specified nonprofit charitable, educational, or religious organizations.

Generally, State law exempts certain types of real property from property taxation such as government-owned, charitable, benevolent, educational, religious, veterans' organizations, fire companies, historical societies, and museums. SDAT is responsible for determining the property tax exemptions that are specified by law.

---

### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Comptroller's Office; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2025  
km/hlb

---

Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510