

SB0284/923621/1

BY: Delegate Miller

AMENDMENTS TO SENATE BILL 284
(Third Reading File Bill – Committee Reprint)

AMENDMENT NO. 1

On page 1, in line 6, after “revenue;” insert “requiring the State Department of Education and the Comptroller to take certain actions related to certifying nonprofit organizations as scholarship granting organizations for purposes of enabling individuals to claim a certain federal income tax credit;”.

On page 3, after line 4, insert:

“BY adding to

Article - Education

Section 7–137

Annotated Code of Maryland

(2025 Replacement Volume and 2025 Supplement)”.

AMENDMENT NO. 2

On page 10, after line 5, insert:

“7–137.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “NONPROFIT ORGANIZATION” MEANS AN ORGANIZATION THAT IS NOT SUBJECT TO TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS NOT A PRIVATE FOUNDATION.

(3) "SCHOLARSHIP GRANTING ORGANIZATION" HAS THE MEANING STATED IN § 25F OF THE INTERNAL REVENUE CODE.

(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THIS SECTION BE CONSTRUED IN A MANNER THAT IS CONSISTENT WITH, AND ENABLES THE STATE TO PARTICIPATE IN, THE FEDERAL TAX CREDIT SCHOLARSHIP PROGRAM ESTABLISHED UNDER § 25F OF THE INTERNAL REVENUE CODE.

(C) TO CARRY OUT SUBSECTION (B) OF THIS SECTION, THE DEPARTMENT SHALL:

(1) SUBJECT TO SUBSECTION (D) OF THIS SECTION, APPROVE AND CERTIFY A NONPROFIT ORGANIZATION AS A SCHOLARSHIP GRANTING ORGANIZATION IF THE NONPROFIT ORGANIZATION:

(I) IS ORGANIZED UNDER THE LAWS OF THE STATE;

(II) PROVIDES SCHOLARSHIPS TO ELIGIBLE STUDENTS, AS DEFINED IN § 25F OF THE INTERNAL REVENUE CODE, IN THE STATE; AND

(III) APPLIES TO THE DEPARTMENT IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION; AND

(2) ON OR BEFORE JANUARY 1 EACH YEAR, BEGINNING IN 2027, SUBMIT TO THE SECRETARY OF THE U.S. DEPARTMENT OF THE TREASURY A LIST OF SCHOLARSHIP GRANTING ORGANIZATIONS IN THE STATE.

(D) (1) A NONPROFIT ORGANIZATION SEEKING STATUS AS A SCHOLARSHIP GRANTING ORGANIZATION SHALL APPLY TO THE DEPARTMENT FOR APPROVAL AND CERTIFICATION AS REQUIRED BY THE DEPARTMENT.

(2) EACH YEAR, EACH SCHOLARSHIP GRANTING ORGANIZATION SHALL SUBMIT TO THE DEPARTMENT A FINANCIAL STATEMENT AND PROGRAM REPORT AS REQUIRED BY THE DEPARTMENT DEMONSTRATING COMPLIANCE WITH THIS SECTION.

(E) EACH YEAR, THE DEPARTMENT SHALL MAKE AVAILABLE ONLINE A REPORT THAT INCLUDES:

(1) THE NUMBER OF SCHOLARSHIPS AWARDED BY EACH SCHOLARSHIP GRANTING ORGANIZATION;

(2) THE AVERAGE AND MEDIAN SCHOLARSHIP AMOUNTS; AND

(3) THE SCHOOLS ATTENDED BY SCHOLARSHIP RECIPIENTS.

(F) THE COMPTROLLER SHALL MAKE AVAILABLE ONLINE GUIDANCE THAT ASSISTS INDIVIDUAL TAXPAYERS IN CLAIMING THE FEDERAL INCOME TAX CREDIT ALLOWABLE UNDER § 25F OF THE INTERNAL REVENUE CODE FOR MAKING QUALIFIED CONTRIBUTIONS, AS DEFINED IN § 25F OF THE INTERNAL REVENUE CODE, TO SCHOLARSHIP GRANTING ORGANIZATIONS DURING A TAXABLE YEAR.

(G) (1) AS AUTHORIZED BY STATE AND FEDERAL LAW, THE DEPARTMENT AND THE COMPTROLLER MAY SHARE INFORMATION AS NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS SECTION.

(Over)

(2) THE DEPARTMENT, IN CONSULTATION WITH THE
COMPTROLLER, MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION,
INCLUDING REGULATIONS GOVERNING REPORTING, ACCOUNTABILITY, AND
PENALTIES FOR NONCOMPLIANCE.”