

HOUSE BILL 547

M4, Q3
HB 278/25 – W&M

6lr2160

By: **Delegates Fair, Bouchat, Acevero, Allen, Boyce, Buckel, Hornberger, Jacobs, Miller, Pruski, Qi, Schindler, Solomon, Tomlinson, Wims, Woods, Wu, and Ziegler**

Introduced and read first time: January 27, 2026
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 6, 2026

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Enhanced Agricultural Management**
3 **Equipment**

4 FOR the purpose of ~~altering a subtraction modification under the Maryland income tax for~~
5 ~~enhanced agricultural management equipment to include equipment that requiring~~
6 the Secretary of Agriculture ~~determines by regulation to qualify as, on or before a~~
7 certain date each year, to report to the Governor and the General Assembly on
8 certain equipment that the Secretary recommends should qualify for the subtraction
9 modification under the Maryland income tax for enhanced agricultural management
10 equipment; and generally relating to a subtraction modification under the Maryland
11 income tax for enhanced agricultural management equipment.

12 BY repealing and reenacting, without amendments,
13 Article – Tax – General
14 Section 10–208(a)
15 Annotated Code of Maryland
16 (2022 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Tax – General
19 Section 10–208(d)
20 Annotated Code of Maryland
21 (2022 Replacement Volume and 2025 Supplement)

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 (d) (1) In this subsection:

9 (i) “enhanced agricultural management equipment” means:

10 1. a planter or drill that:

11 A. is commonly known as a “no–till” planter or drill; and

12 B. is designed to minimize the disturbance of the soil in
13 planting crops;

14 2. liquid manure soil injection equipment that is designed to
15 inject manure into the soil to reduce nutrient runoff;

16 3. a deep no–till ripper that does not invert the soil profile
17 and is used to address compaction in high residue cropping systems;

18 4. poultry or livestock manure spreading equipment used by
19 a farm owner or tenant on farmland in accordance with a nutrient management plan
20 prepared by an individual licensed by the Secretary of Agriculture in accordance with Title
21 8, Subtitle 8 of the Agriculture Article if the manure spreading equipment is used:

22 A. to spread poultry manure and bedding from normal
23 poultry production with a capability of being calibrated to 1 ton per acre; or

24 B. to apply solid or liquid livestock waste;

25 5. vertical tillage equipment used to incorporate livestock
26 manure or poultry litter into the soil;

27 6. a global positioning system device used for management of
28 agricultural nutrient applications; ~~and~~

29 7. an integrated optical sensing and nutrient application
30 system that measures crop status and applies the crop’s nitrogen requirements at variable

1 rates based on predicted in-season yield potential for the crop and the predicted
2 responsiveness of the crop to additional nitrogen; and

3 ~~§. OTHER EQUIPMENT THAT THE SECRETARY OF~~
4 ~~AGRICULTURE DETERMINES BY REGULATION TO QUALIFY AS ENHANCED~~
5 ~~AGRICULTURAL MANAGEMENT EQUIPMENT; AND~~

6 (ii) “enhanced agricultural management equipment” includes
7 equipment that attaches to or is pulled by equipment listed in item (i) of this paragraph.

8 (2) Except as provided in paragraph (3) of this subsection, the subtraction
9 under subsection (a) of this section includes 100% of the expenses that a taxpayer incurs to
10 buy and install enhanced agricultural management equipment if:

11 (i) the equipment has a useful life of at least 4 years;

12 (ii) the taxpayer:

13 1. bought the equipment:

14 A. after December 31, 1985, if the equipment is a planter or
15 drill;

16 B. after December 31, 1989, if the equipment is liquid
17 manure soil injection equipment;

18 C. after December 31, 1997, if the equipment is poultry or
19 livestock manure spreading equipment;

20 D. after December 31, 2001, if the equipment is a deep no-till
21 ripper that does not invert the soil profile; or

22 E. after December 31, 2012, if the equipment is a global
23 positioning system device used for management of agricultural nutrient applications or an
24 integrated optical sensing and nutrient application system;

25 2. owns the equipment for at least 3 years after the taxable
26 year in which the subtraction is made; and

27 3. uses the equipment in agricultural production; and

28 (iii) for liquid manure soil injection equipment, the equipment is:

29 1. used on land upon which farm products, as defined under
30 § 10-601 of the Agriculture Article, are raised; and

31 2. not used to inject sludge into the soil.

1 (3) The subtraction under subsection (a) of this section includes 50% of the
 2 expenses that a taxpayer incurs to buy and install enhanced agricultural management
 3 equipment that is vertical tillage equipment used to incorporate livestock manure or
 4 poultry litter into the soil if:

5 (i) the equipment has a useful life of at least 4 years; and

6 (ii) the taxpayer:

7 1. bought the equipment after December 31, 2012;

8 2. owns the equipment for at least 3 years after the taxable
 9 year in which the subtraction is made; and

10 3. uses the equipment in agricultural production.

11 (4) To qualify for the subtraction under paragraphs (2) and (3) of this
 12 subsection, a taxpayer shall file a statement from the Department of Agriculture certifying
 13 compliance with the requirements of this section.

14 (5) If the subtraction allowed under paragraphs (2) and (3) of this
 15 subsection exceeds the Maryland taxable income that is computed without the modification
 16 allowed under this subsection and the subtraction is not used for the taxable year, the
 17 excess may be carried over to succeeding taxable years, not to exceed 5, until the full
 18 amount of the subtraction is used.

19 **(6) ~~THE ON OR BEFORE DECEMBER 1, 2026, AND EACH DECEMBER 1~~**
 20 **~~THEREAFTER, THE SECRETARY OF AGRICULTURE MAY ADOPT REGULATIONS TO~~**
 21 **~~ESTABLISH SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257~~**
 22 **~~OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON ADDITIONAL~~**
 23 **~~TYPES OF EQUIPMENT THAT THE SECRETARY RECOMMENDS SHOULD QUALIFY AS~~**
 24 **~~ENHANCED AGRICULTURAL MANAGEMENT EQUIPMENT UNDER PARAGRAPH (1)(1)8~~**
 25 **~~OF THIS SUBSECTION.~~**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 27 1, 2026, ~~and shall be applicable to all taxable years beginning after December 31, 2025.~~