

# HOUSE BILL 1410

Q3

6lr3405  
CF SB 793

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By: **Delegate Simmons**

Introduced and read first time: February 13, 2026

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Paid Organ Donation Leave**

3 FOR the purpose of allowing a credit against the State income tax for certain qualified  
4 employers who provide certain paid organ donation leave to eligible employees;  
5 allowing a qualified employer to carry over any excess credit to certain taxable years;  
6 and generally relating to a credit against the State income tax for employers that  
7 provide paid organ donation leave.

8 BY adding to

9 Article – Tax – General

10 Section 10–758

11 Annotated Code of Maryland

12 (2022 Replacement Volume and 2025 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
14 That the Laws of Maryland read as follows:

15 **Article – Tax – General**

16 **10–758.**

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

19 **(2) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF**  
20 **HEALTH.**

21 **(3) “ELIGIBLE EMPLOYEE” MEANS AN INDIVIDUAL WHO:**

22 **(I) IS EMPLOYED BY A QUALIFIED EMPLOYER; AND**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (II) PROVIDES WRITTEN VERIFICATION FROM A LICENSED  
2 PHYSICIAN THAT THE INDIVIDUAL DONATED ONE OR MORE OF THE INDIVIDUAL'S  
3 ORGANS TO ANOTHER INDIVIDUAL FOR ORGAN TRANSPLANTATION.

4 (4) "ORGAN" HAS THE MEANING STATED IN § 10-208(W) OF THIS  
5 TITLE.

6 (5) "ORGAN DONATION LEAVE" MEANS A PERIOD THAT:

7 (I) AN ELIGIBLE EMPLOYEE IS ABSENT FROM EMPLOYMENT  
8 FOR THE PURPOSE OF DONATING AN ORGAN; AND

9 (II) IS IN ADDITION TO ANY OTHER PAID LEAVE BENEFITS  
10 OFFERED BY THE EMPLOYER, INCLUDING ANY BENEFITS OFFERED IN ACCORDANCE  
11 WITH TITLE 8.3 OF THE LABOR AND EMPLOYMENT ARTICLE.

12 (6) "QUALIFIED EMPLOYER" MEANS AN EMPLOYER THAT:

13 (I) MAINTAINS A WRITTEN POLICY PROVIDING PAID ORGAN  
14 DONATION LEAVE; AND

15 (II) PAYS AN ELIGIBLE EMPLOYEE AT LEAST 100% OF THE  
16 EMPLOYEE'S REGULAR WAGES DURING ANY ORGAN DONATION LEAVE TAKEN BY THE  
17 ELIGIBLE EMPLOYEE.

18 (B) A QUALIFIED EMPLOYER THAT EMPLOYS AN ELIGIBLE EMPLOYEE MAY  
19 CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT STATED ON THE  
20 TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (D) OF THIS SECTION.

21 (C) (1) FOR THE TAXABLE YEAR IN WHICH AN ELIGIBLE EMPLOYEE  
22 TAKES PAID ORGAN DONATION LEAVE, THE CREDIT ALLOWED UNDER THIS SECTION  
23 EQUALS 100% OF THE WAGES PAID TO THE ELIGIBLE EMPLOYEE DURING THE FIRST  
24 12 WEEKS OF THE ORGAN DONATION LEAVE.

25 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE  
26 STATE INCOME TAX FOR THAT TAXABLE YEAR, ANY UNUSED CREDIT MAY BE  
27 CARRIED FORWARD AND APPLIED FOR SUCCEEDING TAXABLE YEARS UNTIL THE  
28 EARLIER OF:

29 (I) THE DATE ON WHICH THE FULL AMOUNT OF THE CREDIT IS  
30 USED; OR

1                   **(II) THE DATE OF THE EXPIRATION OF THE 3RD TAXABLE YEAR**  
2 **AFTER THE TAXABLE YEAR FOR WHICH THE CREDIT WAS ALLOWED.**

3           **(D) (1) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, ON**  
4 **APPLICATION BY A QUALIFIED EMPLOYER, THE DEPARTMENT SHALL ISSUE A TAX**  
5 **CREDIT CERTIFICATE IN THE AMOUNT ALLOWABLE UNDER SUBSECTION (C) OF THIS**  
6 **SECTION.**

7                   **(2) THE APPLICATION SHALL INCLUDE:**

8                   **(I) THE NAME OF THE QUALIFIED EMPLOYER;**

9                   **(II) EVIDENCE THAT THE QUALIFIED EMPLOYER IS:**

10                   **1. DULY ORGANIZED AND IN GOOD STANDING IN THE**  
11 **JURISDICTION UNDER THE LAWS UNDER WHICH IT IS ORGANIZED;**

12                   **2. CURRENT IN THE PAYMENT OF ALL OBLIGATIONS TO**  
13 **THE STATE OR ANY UNIT OR SUBDIVISION OF THE STATE; AND**

14                   **3. NOT IN DEFAULT UNDER THE TERMS OF ANY**  
15 **CONTRACT WITH, INDEBTEDNESS TO, OR GRANT FROM THE STATE OR ANY UNIT OR**  
16 **SUBDIVISION OF THE STATE;**

17                   **(III) PROOF OF THE WAGES PAID TO EACH ELIGIBLE EMPLOYEE;**

18                   **(IV) PROOF OF THE PAID ORGAN DONATION LEAVE BENEFITS**  
19 **ACCRUED TO EACH ELIGIBLE EMPLOYEE; AND**

20                   **(V) ANY OTHER INFORMATION THAT THE DEPARTMENT**  
21 **REQUIRES.**

22                   **(3) THE DEPARTMENT SHALL NOTIFY THE QUALIFIED EMPLOYER**  
23 **WITHIN 45 DAYS AFTER THE RECEIPT OF THE APPLICATION OF THE DEPARTMENT'S**  
24 **APPROVAL OR DENIAL OF THE APPLICATION.**

25           **(E) ON OR BEFORE JANUARY 31 EACH TAXABLE YEAR, THE DEPARTMENT**  
26 **SHALL REPORT TO THE COMPTROLLER ON THE TAX CREDIT CERTIFICATES ISSUED**  
27 **UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR.**

28           **(F) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ADOPT**  
29 **REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SECTION.**

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