

SENATE BILL 793

Q3

6lr3408
CF 6lr3405

By: **Senator Lam**

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

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

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

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

(I) THE DATE ON WHICH THE FULL AMOUNT OF THE CREDIT IS 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.