



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor
Jeannie Haddaway-Riccio, Secretary

January 21, 2021

The Honorable Anne R. Kaiser
Chair, Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401

Re: Letter of Information – House Bill 7 – Income Tax Credit – Venison Donation Expenses – Montgomery County Deer Donation Program

Dear Chair and Committee Members:

The Maryland Department of Natural Resources was pleased to be of assistance to the Montgomery County Delegation and its deer management task force over the 2020 Interim. We stand ready as a valuable resource to the county's efforts as needed, including providing the following information on House Bill 7. This bill, one of several initiatives recommended by the Montgomery County Delegation, seeks to expand eligibility for the existing credit against the State income tax for deer donation expenses to include an individual who hunts and harvests an antlerless deer in Montgomery County and donates the deer carcass to a certain organization in Montgomery County.

It is the department's reading of HB 7 that the legislation restates existing law for the Venison Donation Tax Credit Program while highlighting the opportunity to donate deer in Montgomery County. However, the implication that the new law would require hunters to report the processed deer to Montgomery County donation program may run the risk of incentivizing hunters to illegally check and process deer in the county. Such activity would bias the harvest data reported to the department, a critical element to our scientific modeling of the statewide deer population. This unintended consequence may also have the effect of reducing hunter effort and deer harvest in all other counties.

The department is also aware that certain new mechanisms for the Venison Donation Tax Credit Program in HB 7 may invite concern from the Office of the Comptroller as it pertains to their efforts to verify claims of the tax credit. Where producing a receipt for the cost of processing a deer is simple, costs for ammunition, gas, hunting leases, and annual licenses are far more diffuse and hard to attribute to the harvest of a specific deer. Opening the door to fraud and abuse jeopardizes the future of the Venison Donation Tax Credit Program and could ultimately lead to the tarnishing or removal of an important tool from the state's deer management tool belt.

The existing tax credit program is a reasonable and good incentive for hunters with one limitation – it will sunset in two years. Rather than pursuing the changes drafted in HB

7, we suggest amending the bill to simply extend the Venison Donation Tax Credit Program's sunset for an additional five years to 2028. This would allow the current program additional time to adopt new participants and, ultimately, increase the number of deer taken in those areas across Maryland experiencing conflicts with overabundant deer populations.

Thank you for allowing the Maryland Department of Natural Resources to provide this information regarding HB 7.

Respectfully submitted,

James W. McKitrick
Director, Legislative and Constituent Services

CC: The Honorable Eric G. Luedtke