

MARYLAND UNIVERSAL CHARITABLE CREDIT

HOUSE BILL XX

(PRE-FILED)

By: Delegate _____

Requested: March 28, 2018

Introduced and read first time: March 28, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credits – Universal Charitable Credit**

3 FOR the purpose of authorizing a credit against the State income tax for certain
4 taxpayers who, during the taxable year, make voluntary cash contributions to
5 qualified charitable organizations; providing that the credit may not exceed the
6 State income tax for that taxable year and that any unused credit may not be
7 carried over to any other taxable year; providing for the calculation of the credit;
8 requiring the State Department of Revenue to make available to the public a list
9 of qualified charitable organizations and to provide taxpayers taking the credit
10 with the necessary forms to include the names of the qualifying organizations,
11 amounts and dates of the qualifying contributions, and a space where the
12 taxpayer may cite the reasons for taking the credit; defining certain terms;
13 providing for the application of this Act; and generally relating to certain credits
14 against the State income tax for cash contributions to qualified charitable
15 organizations.

16 BY adding to
17 Article – Tax – General
18 Section 10–746
19 Annotated Code of Maryland
20 (2016 Replacement Volume and 2017 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

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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 10-746.

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

7 (2) “QUALIFIED CHARITABLE ORGANIZATIONS” MEANS
8 CHARITABLE ORGANIZATIONS THAT ARE:

9 (I) EXEMPT FROM FEDERAL INCOME TAXATION UNDER
10 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, INCORPORATED IN THE
11 STATE OF MARYLAND, IN GOOD STANDING WITH THE MARYLAND
12 DEPARTMENT OF REVENUE, AND

13 (II) NOT UNDER SUSPENSION PER SECTION 501(P) OF THE
14 INTERNAL REVENUE CODE, OR REVOCATION PER THE INTERNAL REVENUE
15 BULLETIN AT THE TIME OF THE CONTRIBUTION.

16 (3) “COMPTROLLER” MEANS OFFICE OF THE COMPTROLLER OF
17 MARYLAND, OR ITS DESIGNEE.

18 (4) “DEDUCTION” MEANS A REDUCTION IN TAXABLE INCOME
19 PURSUANT TO SECTION 170 OF THE INTERNAL REVENUE CODE AND TAKEN
20 FOR STATE PURPOSES..

21 (B) (1) A TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME
22 TAX AN AMOUNT EQUAL TO THE AMOUNT DONATED BY THE TAXPAYER
23 DURING THE TAXABLE YEAR TO QUALIFIED CHARITABLE ORGANIZATIONS,
24 SUBJECT TO PARAGRAPH (2).

25 (2) (I) THIS CREDIT SHALL NOT EXCEED THE LESSER OF FIVE
26 HUNDRED DOLLARS (\$500.00) FOR A TAXPAYER FILING SINGLE, HEAD OF
27 HOUSEHOLD, OR MARRIED FILING SEPARATELY, OR ONE THOUSAND DOLLARS
28 (\$1,000.00) FOR TAXPAYERS FILING JOINTLY, OR THE ACTUAL STATE INCOME
29 TAX DUE, AND SHALL NOT BE CARRIED OVER TO THE NEXT TAX YEAR.

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1 **(II) TAXPAYERS TAKING THIS CREDIT SHALL PROVIDE THE**
2 **NAMES OF THE QUALIFIED CHARITABLE ORGANIZATIONS, THE DATES OF THE**
3 **CONTRIBUTIONS, AND AMOUNTS TO THE COMPTROLLER ON FORMS**
4 **PROVIDED BY THE COMPTROLLER.**

5 **(III) TAXPAYERS CHOOSING TO MAKE VOLUNTARY CASH**
6 **CONTRIBUTIONS THROUGH UMBRELLA CHARITABLE ORGANIZATIONS THAT**
7 **COLLECT DONATIONS ON BEHALF OF MEMBER CHARITIES SHALL DESIGNATE**
8 **THAT THE DONATIONS BE DIRECTED ONLY TO MEMBER CHARITABLE**
9 **ORGANIZATIONS THAT WOULD QUALIFY FOR THIS CREDIT ON A STAND-ALONE**
10 **BASIS.**

11 **(C) (1) THE COMPTROLLER SHALL COMPILE AND MAKE AVAILABLE TO**
12 **THE PUBLIC A LIST OF QUALIFIED CHARITABLE ORGANIZATIONS.**

13 **(2) THE COMPTROLLER SHALL DEVELOP FORMS NECESSARY TO**
14 **APPLY FOR THE UNIVERSAL CHARITABLE CREDIT.**

15 **(3) THE FORMS SHALL CONTAIN:**

16 **(I) THE NAME AND TAXPAYER IDENTIFICATION NUMBER OF**
17 **THE TAXPAYER;**

18 **(II) THE NAME OF THE QUALIFIED CHARITABLE**
19 **ORGANIZATION;**

20 **(III) THE AMOUNT OF THE CASH CONTRIBUTION CLAIMED AS**
21 **A CREDIT AGAINST THE STATE INCOME TAX;**

22 **(IV) A SPACE WHERE THE TAXPAYER MAY CITE THE REASON**
23 **FOR TAKING THE CREDIT; AND**

24 **(V) ANY OTHER INFORMATION THAT THE COMPTROLLER**
25 **REQUIRES.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1,
27 2018, and shall be applicable to all taxable years beginning after December 31, 2017, but before
28 January 1, 2023. It shall remain effective for a period of 5 years and, at the end of June 30,
29 2023, this Act, with no further action required by the General Assembly, shall be abrogated and
30 of no further force and effect.