HOUSE BILL 537

Q3 4lr1606
CF 4lr2264

By: **Delegates Attar and Stein**
Introduced and read first time: January 24, 2024
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Income Tax – Credit for Nonpublic School Student Bus Transportation Expenses

FOR the purpose of providing a refundable credit against the State income tax for certain student bus transportation expenses paid by a certain individual during the taxable year; and generally relating to an income tax credit for nonpublic school student transportation expenses.

BY adding to
Article – Tax – General
Section 10–758
Annotated Code of Maryland
(2022 Replacement Volume and 2023 Supplement)

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

Article – Tax – General

10–758.

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

(2) "QUALIFIED BUS TRANSPORTATION EXPENSES" MEANS EXPENSES PAID TO A SCHOOL OR LOCAL SCHOOL SYSTEM FOR THE DAILY BUS TRANSPORTATION OF A STUDENT TO OR FROM A SCHOOL.

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

(3) "SCHOOL" MEANS A NONPUBLIC ELEMENTARY OR SECONDARY SCHOOL IN THE STATE THAT PARTICIPATES IN THE NONPUBLIC SCHOOLS TEXTBOOK AND TECHNOLOGY GRANTS PROGRAM.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, AN INDIVIDUAL RESIDENT WHO IS THE PARENT OR GUARDIAN OF A STUDENT MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO THE QUALIFIED BUS TRANSPORTATION EXPENSES PAID OR INCURRED BY THE RESIDENT DURING THE TAXABLE YEAR ON BEHALF OF THE STUDENT.

(2) THE TAX CREDIT UNDER THIS SECTION MAY NOT EXCEED $1,500 PER SCHOOL STUDENT.

(3) A PARENT OR GUARDIAN OF A STUDENT WITH A DISABILITY THAT IS PLACED IN A NONPUBLIC EDUCATIONAL PROGRAM UNDER § 8–406 OF THE EDUCATION ARTICLE TO RECEIVE SPECIAL EDUCATION SERVICES MAY NOT CLAIM THE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR THE TRANSPORTATION EXPENSES PAID OR INCURRED ON BEHALF OF THAT STUDENT.

(C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE RESIDENT MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024, and shall be applicable to all taxable years beginning after December 31, 2023.