

Chapter 77

(House Bill 1444)

AN ACT concerning

**Income Tax Credit – Endowments of Maryland Historically Black Colleges –
~~Sunset Repeal~~ Extension**

FOR the purpose of ~~repealing~~ altering the termination date of certain provisions of law that allow a credit against the State income tax for a certain amount of donations to certain permanent endowment funds at certain institutions of higher education; and generally relating to State income tax credits for donations to endowment funds.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 10–750
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,
Chapter 544 of the Acts of the General Assembly of 2019
Section 3

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

Article – Tax – General

10–750.

(a) (1) In this section the following words have the meanings indicated.

(2) “Donation” means an irrevocable gift of cash.

(3) “Institution of higher education” means Bowie State University, Coppin State University, Morgan State University, or University of Maryland Eastern Shore.

(4) “Qualified permanent endowment fund” means a fund that is:

(i) held in perpetuity by an institution of higher education; and

(ii) used to benefit the institution of higher education or its students.

(b) (1) Subject to the limitations of this section, for the taxable year in which a taxpayer makes a donation to a qualified permanent endowment fund at an institution of

higher education, the taxpayer may claim a credit against the State income tax in the amount stated on the tax credit certificate issued under subsection (c) of this section.

(2) If the credit allowed under this section in any taxable year exceeds the State income tax for that taxable year, any unused credit may be carried forward and applied to succeeding taxable years until the full amount of the credit is used.

(c) (1) On application by a taxpayer, the Comptroller shall issue a credit certificate in the amount of 25% of a proposed donation to a qualified permanent endowment fund at an institution of higher education.

(2) The application shall contain:

(i) the names of the taxpayer, the institution of higher education, and the qualified permanent endowment fund to which the donation will be made;

(ii) the taxable year in which the donation will be made;

(iii) the amount of the donation; and

(iv) any other information that the Comptroller requires.

(3) The Comptroller shall approve all applications that qualify for a tax credit certificate under this subsection:

(i) on a first-come, first-served basis; and

(ii) in a timely manner.

(4) (i) For each taxable year, the total amount of tax credit certificates certified by the Comptroller under this section may not exceed \$240,000.

(ii) 1. The Comptroller shall make available 25% of the amount of credits authorized under subparagraph (i) of this paragraph for donations to qualified permanent endowment funds at each institution of higher education.

2. If the total amount of tax credit certificates certified under this section for an institution of higher education during a taxable year is less than the amount made available for the institution of higher education under this subparagraph, any excess amount may be certified under tax credit certificates for the institution of higher education for the next taxable year.

(d) The Comptroller shall adopt regulations to carry out the provisions of this section, including the criteria and procedures for application for, approval of, and monitoring eligibility for the tax credit authorized under this section.

Chapter 544 of the Acts of 2019

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019, and shall be applicable to all taxable years beginning after December 31, 2018. ~~¶~~Section 1 of this Act shall remain effective for a period of ~~4~~ 9 years and 6 months and, at the end of December 31, ~~2023~~ 2028, Section 1 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect. ~~¶~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.

Approved by the Governor, April 12, 2022.