

# HOUSE BILL 671

Q4

(8lr2389)

## ENROLLED BILL

— Ways and Means/Budget and Taxation —

Introduced by **Delegates Patterson, Walker, Afzali, Ali, D. Barnes, Buckel, Carey, Ebersole, Hornberger, C. Howard, Mosby, Rose, Shoemaker, Simonaire, Tarlau, Turner, A. Washington, M. Washington, ~~and Wilkins~~ Wilkins, Kaiser, Long, Luedtke, and Reilly**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Sales and Use Tax – Tax Free Period for Back to School Shopping – School~~  
3 ~~Supplies~~  
4 Income Tax – Subtraction Modification – Classroom Supplies Purchased by  
5 Teachers

6 FOR the purpose of ~~altering a certain sales and use tax exemption to include certain school~~  
7 ~~supplies; defining a certain term; and generally relating to the annual sales tax free~~  
8 ~~period for back to school shopping in the State.~~ allowing a subtraction modification  
9 under the Maryland income tax for up to a certain amount of expenses paid or  
10 incurred by certain teachers during a taxable year for certain classroom supplies;  
11 defining a certain term; providing for the application of this Act; and generally

---

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber/conference committee amendments.*



1 relating to a Maryland income tax subtraction modification for certain classroom  
 2 supplies.

3 ~~BY repealing and reenacting, with amendments,~~  
 4 ~~Article – Tax – General~~  
 5 ~~Section 11–228~~  
 6 ~~Annotated Code of Maryland~~  
 7 ~~(2016 Replacement Volume and 2017 Supplement)~~

8 BY repealing and reenacting, without amendments,  
 9 Article – Tax – General  
 10 Section 10–208(a)  
 11 Annotated Code of Maryland  
 12 (2016 Replacement Volume and 2017 Supplement)

13 BY adding to  
 14 Article – Tax – General  
 15 Section 10–208(w)  
 16 Annotated Code of Maryland  
 17 (2016 Replacement Volume and 2017 Supplement)

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

20 **Article – Tax – General**

21 ~~11–228.~~

22 (a) ~~(1) In this section[, “accessory items”] THE FOLLOWING WORDS HAVE~~  
 23 ~~THE MEANINGS INDICATED.~~

24 ~~(2) “ACCESSORY ITEMS” includes jewelry, watches, watchbands,~~  
 25 ~~handbags, handkerchiefs, umbrellas, scarves, ties, headbands, and belt buckles.~~

26 ~~(3) “SCHOOL SUPPLIES” MEANS PENS, PENCILS, CRAYONS, BINDERS,~~  
 27 ~~FOLDERS, NOTEBOOKS, AND LOOSE-LEAF PAPER.~~

28 ~~(b) (1) Beginning in calendar year 2010, the 7-day period from the second~~  
 29 ~~Sunday in August through the following Saturday shall be a tax-free period for~~  
 30 ~~back-to-school shopping in Maryland during which the exemption under paragraph (2) of~~  
 31 ~~this subsection shall apply.~~

32 ~~(2) During the tax-free period for back-to-school shopping established~~  
 33 ~~under paragraph (1) of this subsection, the sales and use tax does not apply to:~~

1 ~~(i) the sale of any item of clothing or footwear, excluding accessory~~  
2 ~~items, if the taxable price of the item of clothing or footwear is \$100 or less; [or]~~

3 ~~(ii) the first \$40 of the taxable price of any backpack or bookbag; OR~~

4 ~~(III) THE SALE OF ANY SCHOOL SUPPLIES.~~

5 10-208.

6 (a) In addition to the modification under § 10-207 of this subtitle, the amounts  
7 under this section are subtracted from the federal adjusted gross income of a resident to  
8 determine Maryland adjusted gross income.

9 (W) (1) IN THIS SUBSECTION, “ELIGIBLE TEACHER” MEANS AN  
10 INDIVIDUAL WHO IS A KINDERGARTEN THROUGH GRADE 12 CLASSROOM TEACHER  
11 IN AN ELEMENTARY OR SECONDARY SCHOOL IN THE STATE ON A FULL-TIME BASIS  
12 FOR AN ACADEMIC YEAR ENDING DURING THE TAXABLE YEAR.

13 ~~(2) TO THE EXTENT THAT AN EXPENSE IS NOT ALLOWED AS AN~~  
14 ~~EDUCATOR EXPENSE UNDER § 62 OF THE INTERNAL REVENUE CODE, SUBJECT TO~~  
15 ~~PARAGRAPH (3) OF THIS SUBSECTION, THE SUBTRACTION ALLOWED UNDER~~  
16 ~~SUBSECTION (A) OF THIS SECTION INCLUDES UP TO \$250 OF THE UNREIMBURSED~~  
17 ~~EXPENSES PAID OR INCURRED BY AN ELIGIBLE TEACHER DURING A TAXABLE YEAR~~  
18 ~~FOR THE PURCHASE OF CLASSROOM SUPPLIES IF THE SUPPLIES ARE USED BY:~~

19 (I) STUDENTS IN THE CLASSROOM; OR

20 (II) THE ELIGIBLE TEACHER TO PREPARE FOR OR DURING  
21 CLASSROOM TEACHING.

22 (3) THE AMOUNT ALLOWED AS A SUBTRACTION UNDER PARAGRAPH  
23 (2) OF THIS SUBSECTION DOES NOT INCLUDE AN EXPENSE THAT IS SUBTRACTED  
24 FROM FEDERAL ADJUSTED GROSS INCOME UNDER § 62 OF THE INTERNAL REVENUE  
25 CODE.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
27 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.