

# SENATE BILL 549

Q3

9lr1761  
CF HB 111

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By: **Senators Guzzone, Ellis, Feldman, Hayes, Hester, Kramer, Lam, Lee, Patterson, Smith, Waldstreicher, Washington, and Young**

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Agency Shop Fees and Union Dues**

3 FOR the purpose of allowing an individual to claim a credit against the State income tax  
4 for certain allowable union dues paid by the individual during the taxable year;  
5 providing for the calculation of the credit; making the credit refundable; defining a  
6 certain term; providing for the application and termination of this Act; and generally  
7 relating to a State income tax credit for union dues paid during the taxable year.

8 BY adding to

9 Article – Tax – General

10 Section 10–749

11 Annotated Code of Maryland

12 (2016 Replacement Volume and 2018 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

14 That the Laws of Maryland read as follows:

15 **Article – Tax – General**

16 **10–749.**

17 **(A) IN THIS SECTION, “ALLOWABLE UNION DUES” MEANS THE AMOUNT OF**  
18 **AGENCY SHOP FEES AND UNION DUES PAID BY AN INDIVIDUAL DURING THE TAXABLE**  
19 **YEAR THAT WOULD HAVE BEEN ALLOWED AS A DEDUCTION FOR A TAXABLE YEAR**  
20 **BEGINNING AFTER DECEMBER 31, 2016, BUT BEFORE JANUARY 1, 2018, UNDER §**  
21 **187 OF THE INTERNAL REVENUE CODE WITHOUT REGARD TO THE LIMITATION**  
22 **IMPOSED BY § 67 OF THE INTERNAL REVENUE CODE.**

23 **(B) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 EQUAL TO THE AMOUNT OF ALLOWABLE UNION DUES PAID BY THE INDIVIDUAL  
2 DURING THE TAXABLE YEAR MULTIPLIED BY THE SUM OF THE HIGHEST INCOME TAX  
3 RATE THAT APPLIES TO THE INDIVIDUAL'S MARYLAND TAXABLE INCOME UNDER §  
4 10-105 OF THIS TITLE AND ANY APPLICABLE COUNTY INCOME TAX RATE.

5 (C) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE  
6 YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE INDIVIDUAL FOR THAT  
7 TAXABLE YEAR, THE INDIVIDUAL MAY CLAIM A REFUND IN THE AMOUNT OF THE  
8 EXCESS.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
10 1, 2019, and shall be applicable to all taxable years beginning after December 31, 2018, but  
11 before January 1, 2026. It shall remain effective for a period of 7 years and, at the end of  
12 June 30, 2026, this Act, with no further action required by the General Assembly, shall be  
13 abrogated and of no further force and effect.