

January 25, 2024

Honorable Wes Moore
Governor of Maryland
State House
Annapolis, Maryland 21404

Honorable William C. Ferguson IV
President of the Senate
State House
Annapolis, Maryland 21404

Honorable Adrienne A. Jones
Speaker of the House
State House
Annapolis, Maryland 21404

Re: Report required by SB622, Ch. 222(2), 2021 and HB 711, Ch. 221(2), 2021 (MSAR# 13188)

Dear Governor Moore, President Ferguson, and Speaker Jones:

Pursuant to the provisions of Senate Bill 622 (2021) and House Bill 711 (2021), the Comptroller of Maryland is submitting this required report on donations to charitable entities of disposable diapers, other hygiene products for infants or children, or feminine personal hygiene products.

SB622/HB711 established a new a subtraction modification against the State income tax for qualified donations to diaper banks or charitable entities registered with the Comptroller of Maryland. Taxpayers who donate to a qualified charitable entity may subtract up to \$1,000 of those donations from their federal adjusted gross income to determine their Maryland adjusted gross income. Eligible donations include (1) disposable diapers, (2) other hygiene products for infants and children, (3) feminine personal hygiene products, or (4) cash specifically designated for the purchase of these products. This law also requires the Comptroller to report to the General Assembly on whether donations to charitable entities of disposable diapers, other hygiene products for infants or children, or feminine personal hygiene products has increased following the effective date of this Act and, if so, whether the subtraction modification under § 10-208(y) of the Tax - General Article, as enacted under Section 1 of this Act, has contributed to that increase.

Below is a brief summary of the requested information.



In 2022, the Comptroller's Office began accepting applications for charitable distributors of diapers and hygiene products (Form 087). To date, the agency has approved applications for the following charitable entities. (This list will be updated as new applications are approved.)

Gabriel Project Cluster of Montgomery County, Maryland, Inc
2503 Henderson Ave.
Silver Spring, MD 20902

The Catherine Foundation of MD, Inc.
3065 Old Washington Rd.
Waldorf, MD 20601

In Tax Year 2022:

- 8,403 individual taxpayers claimed this credit for a total of \$5.2 million.
- Four (4) individual businesses claimed this credit for a total of \$110,910.
- Two (2) nonprofits (listed above) applied for and became eligible for donations qualifying for this credit.

The Comptroller of Maryland only has access to one year of tax data where this subtraction modification was in effect, so we are unable to comment on its year-to-year impact.

If you have any questions, please do not hesitate to contact me. Thank you for your time and consideration.

Sincerely,



Andrew Schaufele
Chief Deputy Comptroller

cc: Sally Robb, Jeremy Baker