

market value of a donation be substantiated by a certain appraisal; limiting the amount of the credit that may be allowed for any taxable year; allowing certain unused credit to be carried forward and used in certain succeeding taxable years; providing for a certain reduction of itemized deductions if a certain credit is claimed under certain circumstances; providing for the application of this Act; and generally relating to a State income tax credit for certain donations of certain interests in land for certain purposes to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-218

Annotated Code of Maryland

(1997 Replacement Volume and 2000 Supplement)

BY adding to

Article - Tax - General

Section 10-722

Annotated Code of Maryland

(1997 Replacement Volume and 2000 Supplement)

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

Article - Tax - General

10-218.

(a) Only an individual who itemizes deductions on the individual's federal income tax return may elect to itemize deductions on the individual's income tax return.

(b) An individual who elects to itemize deductions is allowed as a deduction the sum of the individual's federal itemized deductions:

(1) limited and reduced as required under the Internal Revenue Code;

[and]

(2) FURTHER REDUCED BY ANY AMOUNT DEDUCTED UNDER § 170 OF THE INTERNAL REVENUE CODE FOR CONTRIBUTIONS OF A PRESERVATION OR CONSERVATION EASEMENT FOR WHICH A CREDIT IS CLAIMED UNDER § 10-722 OF THIS TITLE; AND

[(2)] (3) further reduced by the amount claimed as taxes on income paid to a state or political subdivision of a state, after subtracting a pro rata portion of the reduction to itemized deductions required under § 68 of the Internal Revenue Code:

10-722.

(A) (1) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX AS PROVIDED IN THIS SECTION FOR AN EASEMENT CONVEYED TO THE