Article – Tax – General

10–207.

(i) (1) IN THIS SUBSECTION, "NET CAPITAL GAIN" MEANS NET CAPITAL GAIN, AS DEFINED AND DETERMINED UNDER THE INTERNAL REVENUE CODE, BEFORE ANY EXCLUSION FOR FEDERAL INCOME TAX PURPOSES.

(2) [The] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE subtraction under subsection (a) of this section includes an amount equal to 40% of net capital gain[, as defined and determined under the Internal Revenue Code].

(3) THE AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE REDUCED, BUT NOT BELOW ZERO, BY THE AMOUNT OF ANY PORTION OF NET CAPITAL GAIN EXCLUDED FROM FEDERAL ADJUSTED GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1990 and shall be applicable to all taxable years beginning after December 31, 1989.

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May 25, 1990

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis, Maryland 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 319.

This bill allows any nonprofit organization in the State which provides transportation to blind, elderly, handicapped, or low–income individuals to receive a motor fuel tax refund, if the organization is tax–exempt under federal law and provides in its charter that furnishing transportation services to such groups is one of the purposes of the organization.

The intent of this legislation is certainly laudable and I commend the sponsor's efforts to help senior citizens and the disadvantaged. However, a major concern that I have with Senate Bill 319 is that it is too broad. It would allow any organization, even those which only carry passengers from these specialized populations on an occasional basis, to apply for a refund. As a result, there is no assurance that the fuel tax refund would directly benefit the organizations that are best serving the needs of these deserving populations.