

HOUSE BILL 1521

Q3

6lr3272

By: **Delegates Ruff, Addison, Conaway, Fair, Fennell, J. Long, Martinez, Simmons, Smith, Spiegel, Stinnett, Wells, Wolek, Wu, and Young**
Introduced and read first time: February 13, 2026
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Contributions, Volunteerism, and Employment**
3 **Initiatives for At-Risk Youth**

4 FOR the purpose of allowing a credit against the State income tax for certain contributions
5 to organizations that support at-risk youth, volunteering at certain schools and
6 recreation centers, and employing certain at-risk youth; and generally relating to
7 income tax credits for supporting at-risk youth.

8 BY adding to

9 Article – Tax – General

10 Section 10–758

11 Annotated Code of Maryland

12 (2022 Replacement Volume and 2025 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 **10–758.**

17 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
18 **INDICATED.**

19 **(2) “APPLICABLE ZIP CODE” MEANS:**

20 **(I) A ZIP CODE DESIGNATED AS A HIGH-CRIME OR**
21 **HIGH-POVERTY AREA; OR**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (II) A ZIP CODE IN BALTIMORE CITY OR BALTIMORE COUNTY.

2 (3) "AT-RISK YOUTH" MEANS AN INDIVIDUAL AT LEAST 12 YEARS OLD
3 AND UNDER THE AGE OF 25 YEARS OLD WHO:

4 (I) IS DESIGNATED AS CHRONICALLY ABSENT OR HAS DROPPED
5 OUT OF SCHOOL;

6 (II) IS INVOLVED IN THE JUVENILE JUSTICE SYSTEM;

7 (III) IS INVOLVED IN AN AT-RISK YOUTH PREVENTION OR
8 DIVERSION PROGRAM, AS DEFINED IN § 8-601 OF THE HUMAN SERVICES ARTICLE;

9 (IV) IS AGING OUT OR WHO HAS AGED OUT OF FOSTER CARE;

10 (V) IS EXPERIENCING HOMELESSNESS; OR

11 (VI) RESIDES IN AN APPLICABLE ZIP CODE.

12 (4) "ELIGIBLE ORGANIZATION" MEANS AN ORGANIZATION THAT
13 SUPPORTS AT-RISK YOUTH AND IS CERTIFIED BY THE DEPARTMENT OF COMMERCE
14 AND THE GOVERNOR'S OFFICE OF CRIME PREVENTION AND POLICY UNDER THIS
15 SECTION, INCLUDING:

16 (I) A NONPROFIT ORGANIZATION EXEMPT FROM TAXATION
17 UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

18 (II) A LOCAL EDUCATION AGENCY;

19 (III) A COUNTY OR MUNICIPAL GOVERNMENT AGENCY;

20 (IV) A FAITH-BASED ORGANIZATION DELIVERING SECULAR
21 YOUTH SERVICES; AND

22 (V) A PUBLIC SCHOOL OR RECREATION CENTER.

23 (5) "QUALIFIED CONTRIBUTION" MEANS A CASH OR IN-KIND
24 DONATION MADE TO AN ELIGIBLE ORGANIZATION FOR APPROVED PROGRAM
25 PURPOSES.

26 (B) THE PURPOSE OF THIS SECTION IS TO ESTABLISH A TARGETED STATE
27 INCOME TAX CREDIT TO INCENTIVIZE PRIVATE CONTRIBUTIONS, VOLUNTEER

1 EFFORTS, AND EMPLOYER HIRING INITIATIVES AIMED AT REDUCING JUVENILE
2 CRIME AND SUPPORTING YOUTH DEVELOPMENT IN AN APPLICABLE ZIP CODE.

3 (C) (1) (I) AN INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM A CREDIT
4 AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 50% OF A QUALIFIED
5 CONTRIBUTION TO AN ELIGIBLE ORGANIZATION.

6 (II) FOR EACH TAXABLE YEAR, THE CREDIT ALLOWED UNDER
7 THIS PARAGRAPH MAY NOT EXCEED:

8 1. FOR AN INDIVIDUAL, \$5,000; OR

9 2. FOR A BUSINESS ENTITY, \$100,000.

10 (2) (I) IN ADDITION TO THE CREDIT ALLOWED UNDER PARAGRAPH
11 (1) OF THIS SUBSECTION, AN INDIVIDUAL WHO VOLUNTEERS TO SPEAK TO
12 STUDENTS ABOUT THE INDIVIDUAL'S PROFESSION OR YOUTH EMPOWERMENT AT A
13 PUBLIC SCHOOL OR RECREATION CENTER MAY CLAIM A CREDIT AGAINST THE STATE
14 INCOME TAX IN AN AMOUNT EQUAL TO \$25 FOR EACH DAY THE INDIVIDUAL
15 VOLUNTEERS.

16 (II) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER
17 THIS PARAGRAPH MAY NOT EXCEED \$500.

18 (III) IN ORDER TO BE ELIGIBLE FOR THE CREDIT ALLOWED
19 UNDER THIS PARAGRAPH, THE INDIVIDUAL MUST:

20 1. VOLUNTEER AT LEAST 1 HOUR ON THE DAY THE
21 INDIVIDUAL VOLUNTEERS;

22 2. BE ACCOMPANIED BY A SCHOOL OFFICIAL AND
23 SCHOOL SAFETY PERSONNEL WHILE ON SCHOOL GROUNDS; AND

24 3. RECEIVE A SIGNED AFFIDAVIT FROM THE SCHOOL
25 PRINCIPAL OR THE PRINCIPAL'S DESIGNEE CERTIFYING THAT THE INDIVIDUAL
26 VOLUNTEERED.

27 (IV) AN INDIVIDUAL MAY CLAIM THE CREDIT UNDER THIS
28 PARAGRAPH FOR UP TO TWO SCHOOL VISITS A MONTH.

29 (3) (I) AN EMPLOYER MAY CLAIM A CREDIT AGAINST THE STATE
30 INCOME TAX IN THE AMOUNT OF \$1,000 FOR EACH AT-RISK YOUTH EMPLOYED BY
31 THE EMPLOYER DURING THE TAXABLE YEAR.

1 **(II) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER**
2 **THIS PARAGRAPH MAY NOT EXCEED \$5,000.**

3 **(III) IN ORDER TO BE ELIGIBLE FOR THE CREDIT ALLOWED**
4 **UNDER THIS PARAGRAPH, THE EMPLOYER MUST EMPLOY THE AT-RISK YOUTH FOR**
5 **AT LEAST 20 HOURS EACH WEEK FOR:**

6 1. **AT LEAST 60 DAYS DURING THE TAXABLE YEAR IF THE**
7 **EMPLOYMENT IS PART OF AN INTERNSHIP OR SUMMER PROGRAM; OR**

8 2. **AT LEAST 90 DAYS DURING THE TAXABLE YEAR.**

9 **(D) THE UNUSED AMOUNT OF A CREDIT ALLOWED UNDER THIS SECTION**
10 **MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.**

11 **(E) (1) BEFORE AN INDIVIDUAL, A BUSINESS ENTITY, OR AN EMPLOYER**
12 **MAY CLAIM A CREDIT ALLOWED UNDER THIS SECTION, THE INDIVIDUAL, BUSINESS**
13 **ENTITY, OR EMPLOYER SHALL APPLY TO THE DEPARTMENT OF COMMERCE FOR**
14 **CERTIFICATION OF THE AMOUNT OF THE CREDIT THAT MAY BE CLAIMED.**

15 **(2) THE DEPARTMENT OF COMMERCE SHALL ESTABLISH AN**
16 **APPLICATION PROCESS TO CERTIFY THE AMOUNT OF THE CREDIT THAT MAY BE**
17 **CLAIMED.**

18 **(3) FOR EACH TAXABLE YEAR, THE AMOUNT OF TAX CREDITS**
19 **CERTIFIED BY THE DEPARTMENT OF COMMERCE MAY NOT EXCEED \$10,000,000.**

20 **(4) THE DEPARTMENT OF COMMERCE SHALL APPROVE ALL**
21 **APPLICATIONS THAT QUALIFY FOR A TAX CREDIT:**

22 **(I) ON A FIRST-COME, FIRST-SERVED BASIS; AND**

23 **(II) IN A TIMELY MANNER.**

24 **(F) THE DEPARTMENT OF COMMERCE, IN CONSULTATION WITH THE**
25 **GOVERNOR'S OFFICE OF CRIME PREVENTION AND POLICY, SHALL ADOPT**
26 **REGULATIONS THAT:**

27 **(1) PROVIDE FOR THE CERTIFICATION OF ELIGIBLE ORGANIZATIONS;**

28 **(2) DESIGNATE APPLICABLE ZIP CODES;**

1 **(3) ESTABLISH PROCEDURES FOR APPLICATION FOR, VERIFICATION**
2 **OF, AND REPORTING ON THE TAX CREDITS AUTHORIZED UNDER THIS SECTION;**

3 **(4) PROVIDE FOR THE VERIFICATION OF SCHOOL VISIT AFFIDAVITS**
4 **FOR VOLUNTEER TAX CREDITS; AND**

5 **(5) ENSURE COMPLIANCE WITH THIS SECTION AND PROVIDE FOR**
6 **AUDITING OF TAXPAYERS AND QUARTERLY TRACKING OF TAX CREDIT USAGE.**

7 **(G) (1) ON OR BEFORE JULY 1, 2027, AND EACH JULY 1 THEREAFTER,**
8 **THE DEPARTMENT OF COMMERCE SHALL REPORT TO THE GENERAL ASSEMBLY, IN**
9 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE TAX**
10 **CREDITS UNDER THIS SECTION.**

11 **(2) THE REPORT UNDER THIS SUBSECTION SHALL INCLUDE:**

12 **(I) THE NUMBER AND AMOUNT OF TAX CREDITS AWARDED;**

13 **(II) THE NUMBER OF AT-RISK YOUTH SERVED OR EMPLOYED AS**
14 **A RESULT OF THE TAX CREDIT;**

15 **(III) JUVENILE CRIME STATISTICS IN APPLICABLE ZIP CODES;**

16 **(IV) THE IMPACT ON TARGETED COMMUNITIES; AND**

17 **(V) ADDITIONAL BENEFITS TO AT-RISK YOUTH THAT HAVE**
18 **OCCURRED AS A RESULT OF THE CONTRIBUTIONS MADE UNDER THIS SECTION,**
19 **INCLUDING PARTICIPATION IN EVENTS SUCH AS FIELD TRIPS, DEBATES, ART**
20 **EXHIBITS, CONCERTS, SPORTS CLINICS, AND BUSINESS COMPETITIONS.**

21 **(H) ON OR BEFORE DECEMBER 1, 2031, THE DEPARTMENT OF**
22 **LEGISLATIVE SERVICES SHALL CONDUCT, IN ACCORDANCE WITH TITLE 1,**
23 **SUBTITLE 3 OF THIS ARTICLE, AN EVALUATION OF THE TAX CREDIT AUTHORIZED**
24 **UNDER THIS SECTION AND SHALL REPORT TO THE GENERAL ASSEMBLY, IN**
25 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE TAX**
26 **CREDIT EVALUATION.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2026, and shall be applicable to all taxable years beginning after December 31, 2026, but
29 before January 1, 2033. It shall remain effective for a period of 7 years and, at the end of
30 June 30, 2033, this Act, with no further action required by the General Assembly, shall be
31 abrogated and of no further force and effect.