

Grants and 1099 Tax Forms

The Maryland Office of the Comptroller has determined that, based on IRS rules, a State grant is considered income. Therefore 1099 forms have been issued for grants received through the Solar Energy Grant Program. They should be reported as income on federal tax returns.

However they are not treated as income by the State. The grant amount is subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income. This subtraction was created through legislation sponsored by Delegate Bartlett in the 2007 General Session. For more information on the State legislation, *click here*.

http://mlis.state.md.us/2007RS/chapters_noln/Ch_615_hb0590T.pdf