

HOUSE BILL 380

Q3

9lr1957
CF SB 265

By: **Delegate Walker**

Introduced and read first time: January 30, 2019

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 10, 2019

CHAPTER _____

1 AN ACT concerning

2 **Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief –**
3 **Extension**

4 FOR the purpose of repealing the termination of a certain subtraction modification under
5 the Maryland income tax for income from the discharge of certain indebtedness
6 related to costs incurred with respect to a principal residence; and generally relating
7 to an income tax subtraction modification for income from the discharge of
8 indebtedness.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–207(a) and (ee)
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2018 Supplement)

14 BY repealing and reenacting, with amendments,
15 Chapter 231 of the Acts of the General Assembly of 2017
16 Section 3

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

19 **Article – Tax – General**

20 10–207.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) To the extent included in federal adjusted gross income, the amounts under
 2 this section are subtracted from the federal adjusted gross income of a resident to determine
 3 Maryland adjusted gross income.

4 (ee) (1) The subtraction under subsection (a) of this section includes the amount
 5 that would have been allowed for indebtedness discharged for qualified principal residence
 6 indebtedness under the federal Mortgage Forgiveness Debt Relief Act of 2007, as amended,
 7 prior to its expiration on December 31, 2012, and without regard to the date limitation in §
 8 108(a)(1)(e) of the Internal Revenue Code.

9 (2) The subtraction under paragraph (1) of this subsection applies only to
 10 an owner-occupied principal residence.

11 (3) The subtraction under paragraph (1) of this subsection may not exceed:

12 (i) \$100,000 for an individual; or

13 (ii) \$200,000 for a married couple filing a joint return or an
 14 individual described in § 2 of the Internal Revenue Code as a head of household or as a
 15 surviving spouse.

16 **Chapter 231 of the Acts of 2017**

17 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
 18 effect July 1, 2017, and shall be applicable to all taxable years beginning after December
 19 31, 2016[, but before January 1, 2019. It shall remain effective for a period of 2 years and,
 20 at the end of June 30, 2019, with no further action required by the General Assembly,
 21 Section 2 of this Act shall be abrogated and of no further force and effect].

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
 23 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.