

# SENATE BILL 265

Q3

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By: **Senators Zucker, Peters, Eckardt, Edwards, Elfreth, Ferguson, Griffith, Guzzone, King, McCray, Rosapepe, Salling, and Serafini**

Introduced and read first time: January 25, 2019

Assigned to: Budget and Taxation

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## A BILL ENTITLED

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.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

13 **Chapter 231 of the Acts of 2017**

14 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
15 effect July 1, 2017, and shall be applicable to all taxable years beginning after December  
16 31, 2016[, but before January 1, 2019. It shall remain effective for a period of 2 years and,  
17 at the end of June 30, 2019, with no further action required by the General Assembly,  
18 Section 2 of this Act shall be abrogated and of no further force and effect].

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
20 1, 2019.