

HOUSE BILL 1326

Q3

2lr1483

By: **Delegates Wivell, Arikan, Boteler, Hornberger, McComas, McKay, Morgan, Shoemaker, Szeliga, and Thiam**

Introduced and read first time: February 11, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Rental Real Estate Activities**

3 FOR the purpose of allowing a subtraction modification under the Maryland income tax for
4 a certain amount of passive activity loss attributable to certain rental real estate
5 activities; and generally relating to a Maryland income tax subtraction modification
6 for passive activity losses attributable to rental real estate activities.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – General

9 Section 10–208(a)

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2021 Supplement)

12 BY adding to

13 Article – Tax – General

14 Section 10–208(bb)

15 Annotated Code of Maryland

16 (2016 Replacement Volume and 2021 Supplement)

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 10–208.

21 (a) In addition to the modification under § 10–207 of this subtitle, the amounts
22 under this section are subtracted from the federal adjusted gross income of a resident to
23 determine Maryland adjusted gross income.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(BB) (1) IN THIS SUBSECTION, “PASSIVE ACTIVITY LOSS” HAS THE**
2 **MEANING STATED IN § 469 OF THE INTERNAL REVENUE CODE.**

3 **(2) THIS SUBSECTION DOES NOT APPLY TO AN INDIVIDUAL TAXPAYER**
4 **DESCRIBED UNDER § 469(C)(7) OF THE INTERNAL REVENUE CODE.**

5 **(3) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
6 **INCLUDES AN AMOUNT, NOT EXCEEDING \$25,000, EQUAL TO A PASSIVE ACTIVITY**
7 **LOSS INCURRED BY AN INDIVIDUAL THAT IS ATTRIBUTABLE TO THE INDIVIDUAL’S**
8 **RENTAL REAL ESTATE ACTIVITIES AND EXCLUDED FROM THE INDIVIDUAL’S**
9 **FEDERAL ADJUSTED GROSS INCOME UNDER § 469(I) OF THE INTERNAL REVENUE**
10 **CODE.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.