
By: Senators Young and McFadden

Introduced and read first time: January 31, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Deductions for Home Mortgage Interest and Charitable Contributions**

3 FOR the purpose of providing that, notwithstanding any change in federal law after a
4 certain date, for Maryland income tax purposes an individual who elects to itemize
5 deductions is allowed to include certain deductions as allowed under the Internal
6 Revenue Code in effect on a certain date.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 10-218
10 Annotated Code of Maryland
11 (1988 Volume and 1995 Supplement)

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

14 **Article - Tax - General**

15 10-218.

16 (a) Only an individual who itemizes deductions on the individual's federal income
17 tax return may elect to itemize deductions on the individual's income tax return.

18 (b) [An] SUBJECT TO SUBSECTION (C) OF THIS SECTION, AN individual who
19 elects to itemize deductions is allowed as a deduction the sum of the individual's federal
20 itemized deductions:

21 (1) limited and reduced as required under the Internal Revenue Code; and

22 (2) further reduced by the amount claimed as taxes on income paid to a
23 state or political subdivision of a state, after subtracting a pro rata portion of the
24 reduction to itemized deductions required under § 68 of the Internal Revenue Code.

25 (C) NOTWITHSTANDING ANY CHANGE IN FEDERAL LAW AFTER JANUARY 1,
26 1996, FOR MARYLAND INCOME TAX PURPOSES AN INDIVIDUAL WHO ELECTS TO
27 ITEMIZE DEDUCTIONS IS ALLOWED TO INCLUDE DEDUCTIONS FOR RESIDENTIAL
28 HOME MORTGAGE INTEREST AND CHARITABLE CONTRIBUTIONS AS ALLOWED
29 UNDER THE INTERNAL REVENUE CODE IN EFFECT ON JANUARY 1, 1996.

SENATE BILL 382

2

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,
3 1995.