
By: **Senators Grosfeld, Britt, Frosh, Garagiola, Giannetti, Gladden, Jones,
Pinsky, and Teitelbaum**

Introduced and read first time: January 28, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sport Utility Vehicle (SUV) Business Tax Loophole Closure Act**

3 FOR the purpose of providing certain modifications to federal adjusted gross income
4 of an individual or federal taxable income of a corporation for Maryland income
5 tax purposes for certain depreciation deductions with respect to certain vehicles;
6 providing for the application of this Act; and generally relating to certain
7 modifications for Maryland income tax purposes for certain depreciation
8 deductions with respect to certain vehicles.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - General
11 Section 10-210.1
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2003 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article - Tax - General
16 Section 10-310
17 Annotated Code of Maryland
18 (1997 Replacement Volume and 2003 Supplement)

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

21 **Article - Tax - General**

22 10-210.1.

23 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
24 INDICATED.

25 (2) "DEPRECIATION" INCLUDES ANY DEDUCTION ALLOWED UNDER § 179
26 OF THE INTERNAL REVENUE CODE.

1 (3) "HEAVY DUTY SUV" MEANS A 4-WHEELED VEHICLE THAT:

2 (I) IS MANUFACTURED PRIMARILY FOR USE ON PUBLIC STREETS,
3 ROADS, AND HIGHWAYS;

4 (II) IS RATED AT MORE THAN 6,000 BUT NOT MORE THAN 14,000
5 POUNDS GROSS VEHICLE WEIGHT; AND

6 (III) WOULD BE A PASSENGER AUTOMOBILE AS DEFINED IN § 280F
7 OF THE INTERNAL REVENUE CODE IF IT WERE RATED AT 6,000 POUNDS GROSS
8 VEHICLE WEIGHT OR LESS.

9 (B) In addition to the modifications under §§ 10-204 through 10-210 of this
10 subtitle, to determine Maryland adjusted gross income of an individual:

11 (1) an amount is added to or subtracted from federal adjusted gross
12 income to reflect the determination of the depreciation deduction provided under §
13 167(a) of the Internal Revenue Code and the adjusted basis of property without
14 regard to the additional allowance under § 168(k) of the Internal Revenue Code;
15 [and]

16 (2) an amount is added to or subtracted from federal adjusted gross
17 income to determine the net operating loss deduction allowed under § 172 of the
18 Internal Revenue Code without regard to the special 5-year carryback period
19 provided under § 172(b)(1)(h) of the Internal Revenue Code; AND

20 (3) AN AMOUNT IS ADDED TO OR SUBTRACTED FROM FEDERAL
21 ADJUSTED GROSS INCOME TO REFLECT THE DETERMINATION OF THE
22 DEPRECIATION DEDUCTION WITH RESPECT TO ANY HEAVY DUTY SUV AS IF THE
23 HEAVY DUTY SUV WERE SUBJECT TO THE LIMITATIONS OF § 280F OF THE INTERNAL
24 REVENUE CODE IN THE SAME MANNER AS IT WOULD BE IF THE VEHICLE WERE
25 RATED AT 6,000 POUNDS GROSS VEHICLE WEIGHT OR LESS.

26 10-310.

27 In addition to the modifications under §§ 10-305 through 10-309 of this
28 subtitle, to determine Maryland modified income the federal taxable income of a
29 corporation shall be adjusted as provided for an individual under § 10-210.1 of this
30 title.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
32 effect July 1, 2004, and shall be applicable to all taxable years beginning after
33 December 31, 2003.