SENATE BILL 1069

By: **Senator Madaleno**
Constitutional Requirements Complied with for Introduction in the last 35 Days of
    Session
Introduced and read first time: March 24, 2009
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Net Operating Loss Deductions – Loss from Criminal Fraud or**
3 **Embezzlement**

4 FOR the purpose of providing an exception for certain net operating losses to a certain
5   provision requiring certain modifications to federal adjusted gross income to
6   determine Maryland adjusted gross income without regard to a certain special
7   net operating loss carryback period; providing for the application of this Act;
8   making this Act an emergency measure; and generally relating to the Maryland
9   income tax treatment of certain net operating losses.

10   SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That, notwithstanding any other provision of law, the modification to
12 federal adjusted gross income required under § 10–210.1(b)(2) of the Tax – General
13 Article, to determine Maryland adjusted gross income of an individual without regard
14 to the special net operating loss carryback period provided under § 172(b)(1)(H) of the
15 Internal Revenue Code, does not apply to any net operating loss covered under
16 Internal Revenue Service Revenue Ruling 2009–9 and substantiated under Internal
17 Revenue Service Revenue Procedure 2009–20.

18   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
19 applicable to any taxable year to which § 172(b)(1)(H) of the Internal Revenue Code, as
20 amended by the American Recovery and Reinvestment Act of 2009 (P.L. 111–5),
21 applies.

22   SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency
23 measure, is necessary for the immediate preservation of the public health or safety,
24 has been passed by a yea and nay vote supported by three–fifths of all the members
25 elected to each of the two Houses of the General Assembly, and shall take effect from
26 the date it is enacted.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
    [Brackets] indicate matter deleted from existing law.