

HOUSE BILL 640

Q3

2lr2349

By: **Delegates Serafini, Dwyer, Glass, and Ready**

Introduced and read first time: February 8, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Credit Card Debt Forgiveness**

3 FOR the purpose of allowing a subtraction modification under the Maryland income
4 tax for certain income of certain individuals from the cancellation of certain
5 consumer debt; providing for the application of this Act; and generally relating
6 to a subtraction modification under the Maryland income tax for certain income
7 from the cancellation of certain debt.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2011 Supplement)

13 BY adding to
14 Article – Tax – General
15 Section 10–207(y)
16 Annotated Code of Maryland
17 (2010 Replacement Volume and 2011 Supplement)

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

20 **Article – Tax – General**

21 10–207.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(Y) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
2 **SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE**
3 **AMOUNT OF INCOME FROM THE CANCELLATION OF CONSUMER CREDIT CARD**
4 **DEBT.**

5 **(2) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS**
6 **SUBSECTION IS NOT ALLOWED IF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS**
7 **INCOME EXCEEDS:**

8 **(I) \$50,000 FOR AN INDIVIDUAL; OR**

9 **(II) \$80,000 FOR A MARRIED COUPLE FILING A JOINT**
10 **RETURN.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 July 1, 2012, and shall be applicable to all taxable years beginning after December 31,
13 2011.