

HOUSE BILL 87

Q3, F5

3lr0309
CF SB 714

By: **Delegates Luedtke, Frick, A. Miller, Serafini, Walker, and Zucker**

Introduced and read first time: January 14, 2013

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 2013

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Student Loan Debt**

3 FOR the purpose of allowing a subtraction modification under the Maryland income
4 tax for certain income of certain individuals from the discharge of student loan
5 indebtedness under certain circumstances; requiring an individual to submit
6 certain documentation to qualify for the subtraction modification; ~~providing that~~
7 ~~the amount of the subtraction modification may not exceed a certain amount for~~
8 ~~certain taxpayers;~~ providing for the application of this Act; and generally
9 relating to a subtraction modification under the Maryland income tax for
10 certain income from the discharge of certain indebtedness.

11 BY repealing and reenacting, without amendments,
12 Article – Tax – General
13 Section 10–207(a)
14 Annotated Code of Maryland
15 (2010 Replacement Volume and 2012 Supplement)

16 BY adding to
17 Article – Tax – General
18 Section 10–207(aa)
19 Annotated Code of Maryland
20 (2010 Replacement Volume and 2012 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Tax – General

2 10-207.

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

6 (AA) (1) ~~SUBJECT TO THE LIMITATION UNDER PARAGRAPH (2) OF THIS~~
7 ~~SUBSECTION, THE~~ THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
8 INCLUDES THE AMOUNT OF STUDENT LOAN INDEBTEDNESS DISCHARGED DUE
9 TO TOTAL AND PERMANENT DISABILITY OR DEATH.

10 ~~(2) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS~~
11 ~~SUBSECTION MAY NOT EXCEED:~~

12 ~~(I) \$15,000 FOR AN INDIVIDUAL; OR~~

13 ~~(II) \$25,000 FOR A MARRIED COUPLE FILING A JOINT~~
14 ~~RETURN.~~

15 (2) TO QUALIFY FOR THE SUBTRACTION MODIFICATION
16 PROVIDED UNDER THIS SUBSECTION, AN INDIVIDUAL MUST ATTACH TO THE
17 INDIVIDUAL'S INCOME TAX RETURN OR OTHERWISE FILE WITH THE
18 COMPTROLLER A COPY OF THE NOTICE STATING THAT THE LOANS HAVE BEEN
19 DISCHARGED DUE TO TOTAL AND PERMANENT DISABILITY OR DEATH.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2013, and shall be applicable to all taxable years beginning after December 31,
22 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.