

HOUSE BILL 123

Q3
HB 640/12 – W&M

3lr1682

By: **Delegate Serafini**

Introduced and read first time: January 17, 2013

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 that the amount of the subtraction modification may
6 not exceed a certain amount for certain taxpayers; providing for the application
7 of this Act; and generally relating to a subtraction modification under the
8 Maryland income tax for certain income from the cancellation of certain debt.

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(AA) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,**
2 **THE 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 **(3) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS**
12 **SUBSECTION MAY NOT EXCEED:**

13 **(I) \$5,000 FOR AN INDIVIDUAL; OR**

14 **(II) \$8,000 FOR A MARRIED COUPLE FILING A JOINT**
15 **RETURN.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2013, and shall be applicable to all taxable years beginning after December 31,
18 2012.