

## Chapter 513

(Senate Bill 639)

AN ACT concerning

### Civil Rights Tax Relief Act

FOR the purpose of allowing an individual a subtraction modification under the Maryland income tax for certain payments received by a claimant for certain damages as a result of certain claims of unlawful discrimination; defining certain terms; providing for the application of this Act; and generally relating to an income tax subtraction modification for certain damages as a result of certain claims of unlawful discrimination.

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

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

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

#### Article – Tax – General

10–207.

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

**(AA) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(II) “LOST PAY” MEANS WAGES, SALARY, OR OTHER COMPENSATION ATTRIBUTABLE TO SERVICES PERFORMED, OR THAT WOULD HAVE BEEN PERFORMED BUT FOR A CLAIMED VIOLATION OF LAW, AS AN EMPLOYEE, A FORMER EMPLOYEE, OR A PROSPECTIVE EMPLOYEE.**

**(III) 1. “NONECONOMIC DAMAGES” MEANS AMOUNTS RECEIVED BY A CLAIMANT IN SATISFACTION OF A CLAIM OF UNLAWFUL DISCRIMINATION, OTHER THAN COMPENSATION FOR LOST PAY OR PUNITIVE DAMAGES.**

**2. “NONECONOMIC DAMAGES” INCLUDES AMOUNTS RECEIVED AS A RESULT OF A CLAIM OF UNLAWFUL DISCRIMINATION:**

**A. WHETHER BY JUDGMENT OR OTHER ORDER OR BY SETTLEMENT; AND**

**B. WHETHER PAYABLE IN A LUMP SUM OR PERIODIC PAYMENTS.**

**(IV) “UNLAWFUL DISCRIMINATION” HAS THE MEANING STATED IN § 62(E) OF THE INTERNAL REVENUE CODE.**

**(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY AMOUNT RECEIVED BY A CLAIMANT FOR NONECONOMIC DAMAGES AS A RESULT OF A CLAIM OF UNLAWFUL DISCRIMINATION.**

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

**Approved by the Governor, May 16, 2013.**