

HOUSE BILL 264

Q3, F5
HB 87/13 – W&M

4lr1883

By: **Delegate Luedtke**

Introduced and read first time: January 20, 2014

Assigned to: Ways and Means

A BILL ENTITLED

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 for
7 the application of this Act; and generally relating to a subtraction modification
8 under the Maryland income tax for certain income from the discharge of certain
9 indebtedness.

10 BY repealing and reenacting, without amendments,
11 Article – Tax – General
12 Section 10–207(a)
13 Annotated Code of Maryland
14 (2010 Replacement Volume and 2013 Supplement)

15 BY adding to
16 Article – Tax – General
17 Section 10–207(bb)
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2013 Supplement)

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

22 **Article – Tax – General**

23 10–207.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 **(BB) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
5 **INCLUDES THE AMOUNT OF STUDENT LOAN INDEBTEDNESS DISCHARGED DUE**
6 **TO TOTAL AND PERMANENT DISABILITY OR DEATH.**

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

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2014, and shall be applicable to all taxable years beginning after December 31,
14 2013.