

# HOUSE BILL 524

Q3  
HB 157/13 – W&M

4lr1664

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By: **Delegates Bates, Afzali, Arentz, Aumann, Cluster, Elliott, Guzzone, Hogan, Jacobs, Krebs, McComas, McDermott, W. Miller, Norman, Otto, Schulz, Sophocleus, Stocksdale, Szeliga, Vitale, and Wood**

Introduced and read first time: January 29, 2014

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Expensing of Business Property and Bonus Depreciation**

3 FOR the purpose of limiting the applicability of certain Maryland income tax  
4 modifications for certain deductions for the cost of business property placed in  
5 service that is treated as an expense for federal income tax purposes; limiting  
6 the applicability of certain Maryland income tax modifications for a certain  
7 additional depreciation allowance under the federal income tax for business  
8 property placed in service; providing for the application of this Act; and  
9 generally relating to certain Maryland income tax modifications with respect to  
10 the federal income tax treatment of business property.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – General  
13 Section 10–210.1(b)(1) and (3)  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume and 2013 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – Tax – General  
18 Section 10–310  
19 Annotated Code of Maryland  
20 (2010 Replacement Volume and 2013 Supplement)

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

23 **Article – Tax – General**

24 10–210.1.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) In addition to the modifications under §§ 10–204 through 10–210 of this  
2 subtitle, to determine Maryland adjusted gross income of an individual:

3 (1) **WITH RESPECT TO PROPERTY PLACED IN SERVICE BEFORE**  
4 **JANUARY 1, 2014**, an amount is added to or subtracted from federal adjusted gross  
5 income to reflect the determination of the depreciation deduction provided under §  
6 167(a) of the Internal Revenue Code and the adjusted basis of property without regard  
7 to the additional allowance under § 168(k) of the Internal Revenue Code;

8 (3) **WITH RESPECT TO PROPERTY PLACED IN SERVICE BEFORE**  
9 **JANUARY 1, 2014**, an amount is added to or subtracted from federal adjusted gross  
10 income to reflect the determination of the maximum aggregate costs that the taxpayer  
11 may treat as an expense under § 179 of the Internal Revenue Code for any taxable  
12 year without regard to any changes made to that section after December 31, 2002:

13 (i) increasing above \$25,000 the dollar limitation set forth in §  
14 179(b)(1) of the Internal Revenue Code; or

15 (ii) increasing above \$200,000 the phase-out threshold set forth  
16 in § 179(b)(2) of the Internal Revenue Code;

17 10–310.

18 In addition to the modifications under §§ 10–305 through 10–309 of this  
19 subtitle, to determine Maryland modified income the federal taxable income of a  
20 corporation shall be adjusted as provided for an individual under § 10–210.1 of this  
21 title.

22 **SECTION 2. AND BE IT FURTHER ENACTED**, That this Act shall take effect  
23 July 1, 2014, and shall be applicable to all taxable years ending after December 31,  
24 2013.