

SENATE BILL 596

Q3
SB 580/12 – B&T

4lr2541
CF HB 923

By: **Senators Peters, Kasemeyer, King, Klausmeier, Raskin, and Robey**

Introduced and read first time: January 30, 2014

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2014

CHAPTER _____

1 AN ACT concerning

2 **Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief –**
3 **Extension**

4 FOR the purpose of extending certain termination provisions relating to a certain
5 income tax subtraction modification for certain discharged mortgage debt;
6 altering the amount of a certain subtraction modification; and generally relating
7 to an income tax subtraction modification for mortgage forgiveness debt relief.

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

13 BY repealing and reenacting, with amendments,
14 Chapter 545 of the Acts of the General Assembly of 2012
15 Section 3

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

18 **Article – Tax – General**

19 10–207.

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 (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 (y) (1) The subtraction under subsection (a) of this section includes the
5 amount that would have been allowed for indebtedness discharged for qualified
6 principal residence indebtedness under the federal Mortgage Forgiveness Debt Relief
7 Act of 2007, as amended, prior to its expiration on December 31, 2012, and without
8 regard to the date limitation in § 108(a)(1)(e) of the Internal Revenue Code.

9 (2) The subtraction under paragraph (1) of this subsection applies only
10 to an owner-occupied principal residence.

11 (3) The subtraction under paragraph (1) of this subsection may not
12 exceed:

13 (i) ~~\$1,000,000~~ **\$100,000** for an individual; or

14 (ii) ~~\$2,000,000~~ **\$200,000** for a married couple filing a joint
15 return or an individual described in § 2 of the Internal Revenue Code as a head of
16 household or as a surviving spouse.

17 **Chapter 545 of the Acts of 2012**

18 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
19 take effect July 1, 2012, and shall be applicable to all taxable years beginning after
20 December 31, 2012, but before January 1, [2014] **2016**. It shall remain effective for a
21 period of [2] **4** years and, at the end of June 30, [2014] **2016**, with no further action
22 required by the General Assembly, this Act shall be abrogated and of no further force
23 and effect.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 2014.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.