

Chapter 321

(House Bill 264)

AN ACT concerning

Income Tax – Subtraction Modification – Student Loan Debt

FOR the purpose of allowing a subtraction modification under the Maryland income tax for certain income of certain individuals from the discharge of student loan indebtedness under certain circumstances; requiring an individual to submit certain documentation to qualify for the subtraction modification; providing for the application of this Act; and generally relating to a subtraction modification under the Maryland income tax for certain income from the discharge of certain indebtedness.

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

BY adding to
Article – Tax – General
Section 10–207(bb)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 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.

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

(2) TO QUALIFY FOR THE SUBTRACTION MODIFICATION PROVIDED UNDER THIS SUBSECTION, AN INDIVIDUAL MUST ATTACH TO THE

INDIVIDUAL'S INCOME TAX RETURN OR OTHERWISE FILE WITH THE COMPTROLLER A COPY OF THE NOTICE STATING THAT THE LOANS HAVE BEEN DISCHARGED DUE TO TOTAL AND PERMANENT DISABILITY OR DEATH.

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

Approved by the Governor, May 5, 2014.