HOUSE BILL 877

Q3 4lr2730
HB 275/12 – W&M

By: **Delegates Weir and Olszewski**
Introduced and read first time: February 5, 2014
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Income Tax – Subtraction Modification – Qualified Maryland Toll Expenses

FOR the purpose of allowing a subtraction modification under the Maryland income tax for certain amounts paid in a certain manner by individuals for certain toll expenses; requiring an individual to submit certain documentation to qualify for the subtraction modification; defining certain terms; providing for the application of this Act; and generally relating to a Maryland income tax subtraction modification for certain amounts paid in a certain manner for certain tolls.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 10–208(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY adding to
Article – Tax – General
Section 10–208(u)
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

10–208.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

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

(II) "NONREFUNDABLE TRANSPONDER DEPOSIT" MEANS ANY AMOUNT PAID FOR AN E–ZPASS MARYLAND TRANSPONDER THAT IS NOT MADE AVAILABLE AS A PREPAID TOLL BALANCE.

(III) "QUALIFIED TOLL EXPENSES" MEANS ANY PAYMENT MADE DURING THE TAXABLE YEAR FOR AMOUNTS EXPENDED BY AN INDIVIDUAL FOR TOLLS PAID ELECTRONICALLY THROUGH THE USE OF THE E–ZPASS MARYLAND PROGRAM AS AUTHORIZED BY THE MARYLAND TRANSPORTATION AUTHORITY FOR NONCOMMERCIAL TRAVEL ON TOLL ROADS, BRIDGES, AND TUNNELS IN THE STATE.

(2) SUBJECT TO PARAGRAPHS (3) THROUGH (6) OF THIS SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE QUALIFIED TOLL EXPENSES INCURRED BY AN INDIVIDUAL DURING THE TAXABLE YEAR.

(3) THE SUBTRACTION UNDER THIS SUBSECTION DOES NOT APPLY UNLESS THE AMOUNT OF QUALIFIED TOLL EXPENSES INCURRED BY THE INDIVIDUAL DURING THE TAXABLE YEAR EQUALS OR EXCEEDS $300.

(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE TOTAL AMOUNT OF QUALIFIED TOLL EXPENSES SUBTRACTED FOR A TAXABLE YEAR MAY NOT EXCEED:

1. $1,000 FOR SPOUSES FILING A JOINT RETURN; AND

2. $500 FOR ALL OTHER INDIVIDUALS.

(II) THE AMOUNT DISALLOWED AS A SUBTRACTION UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR AS A RESULT OF THE LIMITATION UNDER THIS PARAGRAPH MAY BE CARRIED OVER UNTIL USED TO THE NEXT 3 SUCCEEDING TAXABLE YEARS AS A SUBTRACTION.

(5) THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION MAY NOT INCLUDE:

(I) ANY AMOUNT FOR WHICH THE TAXPAYER IS ELIGIBLE FOR A DEDUCTION UNDER THE INTERNAL REVENUE CODE;

(II) ANY AMOUNT PAID AS A NONREFUNDABLE TRANSPONDER DEPOSIT; OR

(III) ANY AMOUNT REIMBURSED BY AN EMPLOYER.

(6) 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 PROOF OF THE AMOUNT OF TOLL CHARGES PAID BY THE INDIVIDUAL DURING THE TAXABLE YEAR.

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.