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§10–205. IN EFFECT

(a) In addition to the modification under § 10–204 of this subtitle, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(b) The addition under subsection (a) of this section includes the amount of a credit claimed under:

(1) § 10–702 of this title for wages paid to an employee in an enterprise zone;

(2) § 10–704.3 of this title or § 8–213 of this article for wages paid and qualified child care or transportation expenses incurred with respect to qualified employment opportunity employees; and

(3) § 10–704.7 of this title or § 8–216 of this article for wages paid and qualified child care or transportation expenses incurred with respect to a qualified employee with a disability.

(c) In the year after decertification of land used for commercial forest land under § 5–219 of the Natural Resources Article, the addition under subsection (a) of this section includes the amount allowed in a prior taxable year as a subtraction under § 10–208(i) of this subtitle for reforestation or timber stand improvement.

(d) The addition under subsection (a) of this section includes the amount of a credit that is claimed under § 10–703 of this title and is based on a tax paid by an S corporation to a state that does not recognize the federal tax treatment of an S corporation.

(e) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Loss year" means the taxable year in which there occurs a net operating loss that is carried back or carried over in whole or in part to another taxable year.

(iii) "Net addition modification" means, for any taxable year, the amount by which the sum of the addition modifications required under this title exceeds the sum of the subtraction modifications allowed under this title.

(iv) "Net operating loss deduction" means a net operating loss deduction allowed for federal income tax purposes under § 172 of the Internal Revenue Code.

(2) If a net operating loss deduction is allowed for the taxable year, the addition under subsection (a) of this section for the taxable year includes, for each loss year as to which a portion of the net operating loss deduction is attributable, an amount equal to the lesser of:

(i) the amount of the net operating loss deduction attributable to that loss year; or

(ii) the amount by which the total net operating loss in the loss year is less than the sum of:

1. the net addition modification for that loss year; and

2. the cumulative net operating loss deductions attributable to that loss year allowed for the taxable year and all prior taxable years.

(f) The addition under subsection (a) of this section includes 50% of the sum of tax preference items under § 10–222 of this subtitle.

(g) The addition under subsection (a) of this section includes the amount claimed and allowed as a deduction for federal income tax purposes for expenses attributable to:

(1) operating a family child care home in the State without having the registration required by § 5–552 of the Family Law Article; or

(2) operating a child care center in the State without having the license required by § 5–574 of the Family Law Article.

(h) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Account holder" means an account holder as defined in § 18–1901, § 18–19A–01, or § 18–19B–01 of the Education Article.

(iii) "Qualified designated beneficiary" means a qualified designated beneficiary as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(iv) "Qualified beneficiary" has the meaning stated in § 18–1901 of the Education Article.

(v) "Qualified higher education expenses" has the meaning stated in § 529 of the Internal Revenue Code.

(2) The addition under subsection (a) of this section includes the amount of:

(i) any refund received in the taxable year by an account holder

under a prepaid contract in accordance with the Maryland Prepaid College Trust; or

(ii) any distribution received in the taxable year by an account holder under a prepaid contract in accordance with the Maryland Prepaid College Trust or under an investment account in accordance with the Maryland College Investment Plan or the Maryland Broker–Dealer College Investment Plan that is not used on behalf of the qualified beneficiary or qualified designated beneficiary for qualified higher education expenses.

(3) The amount of the addition required under this subsection shall be reduced by any amount included in the individual's federal adjusted gross income as a result of the refund or distribution.

(4) The cumulative amount of the addition under this subsection for the taxable year and all prior taxable years may not exceed the cumulative amount allowed as a subtraction:

(i) under § 10–208(n) of this subtitle for the taxable year and all prior taxable years for the account holder's payments to the prepaid contract under which the refund or distribution is received; or

(ii) under § 10–208(o) of this subtitle for the taxable year and all prior taxable years for contributions made by an account holder to an investment account under which the distribution is received.

(i) The addition under subsection (a) of this section includes the amount of a credit claimed under § 10–721 of this title for Maryland qualified research and development expenses.

(j) The addition under subsection (a) of this section includes the amount of a credit claimed under § 10–726 of this title for research and development expenses for cellulosic ethanol technology.

(k) The addition under subsection (a) of this section includes, if a taxpayer sold or exchanged a property for which a subtraction modification under § 10–207(y) of this subtitle has been claimed, the difference between:

(1) the taxpayer's federal adjusted gross income as reportable under the federal Mortgage Forgiveness Debt Relief Act of 2007, as amended, prior to its expiration on December 31, 2012, and without regard to the date limitation in § 108(a)(1)(e) of the Internal Revenue Code; and

(2) the taxpayer's federal adjusted gross income as claimed in the taxable year.

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(a) In addition to the modification under § 10–204 of this subtitle, the amounts

under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(b) The addition under subsection (a) of this section includes the amount of a credit claimed under:

(1) § 10–702 of this title for wages paid to an employee in an enterprise zone;

(2) § 10–704.3 of this title or § 8–213 of this article for wages paid and qualified child care or transportation expenses incurred with respect to qualified employment opportunity employees; and

(3) § 10–704.7 of this title or § 8–216 of this article for wages paid and qualified child care or transportation expenses incurred with respect to a qualified employee with a disability.

(c) In the year after decertification of land used for commercial forest land under § 5–219 of the Natural Resources Article, the addition under subsection (a) of this section includes the amount allowed in a prior taxable year as a subtraction under § 10–208(i) of this subtitle for reforestation or timber stand improvement.

(d) The addition under subsection (a) of this section includes the amount of a credit that is claimed under § 10–703 of this title and is based on a tax paid by an S corporation to a state that does not recognize the federal tax treatment of an S corporation.

(e) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Loss year" means the taxable year in which there occurs a net operating loss that is carried back or carried over in whole or in part to another taxable year.

(iii) "Net addition modification" means, for any taxable year, the amount by which the sum of the addition modifications required under this title exceeds the sum of the subtraction modifications allowed under this title.

(iv) "Net operating loss deduction" means a net operating loss deduction allowed for federal income tax purposes under § 172 of the Internal Revenue Code.

(2) If a net operating loss deduction is allowed for the taxable year, the addition under subsection (a) of this section for the taxable year includes, for each loss year as to which a portion of the net operating loss deduction is attributable, an amount equal to the lesser of:

(i) the amount of the net operating loss deduction attributable to

that loss year; or

(ii) the amount by which the total net operating loss in the loss year is less than the sum of:

1. the net addition modification for that loss year; and

2. the cumulative net operating loss deductions attributable to that loss year allowed for the taxable year and all prior taxable years.

(f) The addition under subsection (a) of this section includes 50% of the sum of tax preference items under § 10–222 of this subtitle.

(g) The addition under subsection (a) of this section includes the amount claimed and allowed as a deduction for federal income tax purposes for expenses attributable to:

(1) operating a family child care home in the State without having the registration required by § 5–552 of the Family Law Article; or

(2) operating a child care center in the State without having the license required by § 5–574 of the Family Law Article.

(h) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Account holder" means an account holder as defined in § 18–1901, § 18–19A–01, or § 18–19B–01 of the Education Article.

(iii) "Qualified designated beneficiary" means a qualified designated beneficiary as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

(iv) "Qualified beneficiary" has the meaning stated in § 18–1901 of the Education Article.

(v) "Qualified higher education expenses" has the meaning stated in § 529 of the Internal Revenue Code.

(2) The addition under subsection (a) of this section includes the amount of:

(i) any refund received in the taxable year by an account holder under a prepaid contract in accordance with the Maryland Prepaid College Trust; or

(ii) any distribution received in the taxable year by an account holder under a prepaid contract in accordance with the Maryland Prepaid College Trust or under an investment account in accordance with the Maryland College Investment Plan or the Maryland Broker–Dealer College Investment Plan that is

not used on behalf of the qualified beneficiary or qualified designated beneficiary for qualified higher education expenses.

(3) The amount of the addition required under this subsection shall be reduced by any amount included in the individual's federal adjusted gross income as a result of the refund or distribution.

(4) The cumulative amount of the addition under this subsection for the taxable year and all prior taxable years may not exceed the cumulative amount allowed as a subtraction:

(i) under § 10–208(n) of this subtitle for the taxable year and all prior taxable years for the account holder's payments to the prepaid contract under which the refund or distribution is received; or

(ii) under § 10–208(o) of this subtitle for the taxable year and all prior taxable years for contributions made by an account holder to an investment account under which the distribution is received.

(i) Abrogated.

(j) The addition under subsection (a) of this section includes the amount of a credit claimed under § 10–726 of this title for research and development expenses for cellulosic ethanol technology.

(k) The addition under subsection (a) of this section includes, if a taxpayer sold or exchanged a property for which a subtraction modification under § 10–207(y) of this subtitle has been claimed, the difference between:

(1) the taxpayer's federal adjusted gross income as reportable under the federal Mortgage Forgiveness Debt Relief Act of 2007, as amended, prior to its expiration on December 31, 2012, and without regard to the date limitation in § 108(a)(1)(e) of the Internal Revenue Code; and

(2) the taxpayer's federal adjusted gross income as claimed in the taxable year.

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