

SENATE BILL 880

Q3
HB 524/14 – W&M

5lr2611

By: **Senator Bates**

Introduced and read first time: March 2, 2015

Assigned to: Rules

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 modifications
4 for certain deductions for the cost of business property placed in service that is
5 treated as an expense for federal income tax purposes; limiting the applicability of
6 certain Maryland income tax modifications for a certain additional depreciation
7 allowance under the federal income tax for business property placed in service;
8 providing for the application of this Act; and generally relating to certain Maryland
9 income tax modifications with respect to the federal income tax treatment of business
10 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 2014 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 2014 Supplement)

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

23 **Article – Tax – General**

24 10–210.1.

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, 2015**, an amount is added to or subtracted from federal adjusted gross income
5 to reflect the determination of the depreciation deduction provided under § 167(a) of the
6 Internal Revenue Code and the adjusted basis of property without regard to the additional
7 allowance under § 168(k) of the Internal Revenue Code;

8 (3) **WITH RESPECT TO PROPERTY PLACED IN SERVICE BEFORE**
9 **JANUARY 1, 2015**, an amount is added to or subtracted from federal adjusted gross income
10 to reflect the determination of the maximum aggregate costs that the taxpayer may treat
11 as an expense under § 179 of the Internal Revenue Code for any taxable year without regard
12 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 in §
16 179(b)(2) of the Internal Revenue Code;

17 10–310.

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

21 **SECTION 2. AND BE IT FURTHER ENACTED**, That this Act shall take effect July
22 1, 2015, and shall be applicable to all taxable years beginning after December 31, 2014.