

Chapter 685

(House Bill 83)

AN ACT concerning

Income Tax – Subtraction Modification – Discharged Student Loan Debt

FOR the purpose of altering a subtraction modification under the Maryland income tax for certain income of certain individuals resulting from the discharge of student loan indebtedness by repealing a requirement that the discharge must be due to total and permanent disability or death; making a conforming change; providing for the application of this Act; and generally relating to a subtraction modification under the Maryland income tax for certain income resulting from the discharge of certain indebtedness.

BY repealing and reenacting, without amendments,

Article – Tax – General
 Section 10–207(a)
 Annotated Code of Maryland
 (2016 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Tax – General
 Section 10–207(aa)
 Annotated Code of Maryland
 (2016 Replacement Volume)

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.

(aa) (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, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.

Approved by the Governor, May 25, 2017.