

HOUSE BILL 1336

Q3

8lr3267

By: **Delegates Kaiser, Turner, Luedtke, Walker, and A. Washington**

Introduced and read first time: February 9, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Calculation of Maryland Taxable Income – Itemized Deductions**

3 FOR the purpose of allowing certain taxpayers to increase the amount of itemized
4 deductions used to determine Maryland taxable income by the amount of certain
5 taxes, interest, and expenses paid and property losses sustained during the taxable
6 year; providing for the application of this Act; and generally relating to certain
7 itemized deductions under the Maryland income tax.

8 BY repealing and reenacting, with amendments,

9 Article – Tax – General

10 Section 10–218(b)

11 Annotated Code of Maryland

12 (2016 Replacement Volume and 2017 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

14 That the Laws of Maryland read as follows:

15 **Article – Tax – General**

16 10–218.

17 (b) An individual who elects to itemize deductions is allowed as a deduction the
18 sum of the individual's federal itemized deductions:

19 (1) **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION,**
20 limited and reduced as required under the Internal Revenue Code;

21 (2) further reduced by any amount deducted under § 170 of the Internal
22 Revenue Code for contributions of a preservation or conservation easement for which a
23 credit is claimed under § 10–723 of this title; [and]

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) further reduced by the amount claimed as taxes on income paid to a
2 state or political subdivision of a state, after subtracting a pro rata portion of the reduction
3 to itemized deductions required under § 68 of the Internal Revenue Code; AND

4 (4) FOR A SINGLE INDIVIDUAL OR MARRIED INDIVIDUAL FILING A
5 SEPARATE RETURN WHOSE FEDERAL ADJUSTED GROSS INCOME DOES NOT EXCEED
6 \$150,000 OR A MARRIED COUPLE FILING A JOINT RETURN WHOSE FEDERAL
7 ADJUSTED GROSS INCOME DOES NOT EXCEED \$225,000, INCREASED BY:

8 (I) THE AMOUNT OF STATE AND LOCAL AND FOREIGN REAL
9 PROPERTY TAXES AND STATE AND LOCAL PERSONAL PROPERTY TAXES REDUCED AS
10 A RESULT OF THE LIMITATION UNDER § 164(B)(6)(B) OF THE INTERNAL REVENUE
11 CODE;

12 (II) THE AMOUNT OF ANY INTEREST PAID OR ACCRUED DURING
13 THE TAXABLE YEAR ON HOME EQUITY INDEBTEDNESS DISALLOWED AS A
14 DEDUCTION UNDER § 163(H)(3)(F) OF THE INTERNAL REVENUE CODE;

15 (III) THE AMOUNT OF ANY MISCELLANEOUS ITEMIZED
16 DEDUCTIONS, SUBJECT TO THE LIMITATION UNDER § 67(A) OF THE INTERNAL
17 REVENUE CODE, THAT ARE DISALLOWED AS A DEDUCTION UNDER § 67(G) OF THE
18 INTERNAL REVENUE CODE;

19 (IV) THE AMOUNT OF ANY UNCOMPENSATED LOSS OF PROPERTY
20 NOT CONNECTED WITH A TRADE OR BUSINESS SUSTAINED DURING THE TAXABLE
21 YEAR AND DISALLOWED AS A DEDUCTION UNDER § 165(H)(5)(A) OF THE INTERNAL
22 REVENUE CODE; AND

23 (V) THE AMOUNT OF ANY MOVING EXPENSES PAID OR
24 INCURRED DURING THE TAXABLE YEAR AND DISALLOWED AS A DEDUCTION UNDER
25 § 217(K) OF THE INTERNAL REVENUE CODE.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.