

Chapter 303

(Senate Bill 265)

AN ACT concerning

Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief – Extension

FOR the purpose of repealing the termination of a certain subtraction modification under the Maryland income tax for income from the discharge of certain indebtedness related to costs incurred with respect to a principal residence; and generally relating to an income tax subtraction modification for income from the discharge of indebtedness.

BY repealing and reenacting, without amendments,
 Article – Tax – General
 Section 10–207(a) and (ee)
 Annotated Code of Maryland
 (2016 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,
 Chapter 231 of the Acts of the General Assembly of 2017
 Section 3

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.

(ee) (1) The subtraction under subsection (a) of this section includes the amount that would have been allowed for indebtedness discharged for qualified principal residence indebtedness 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.

(2) The subtraction under paragraph (1) of this subsection applies only to an owner–occupied principal residence.

(3) The subtraction under paragraph (1) of this subsection may not exceed:

- (i) \$100,000 for an individual; or
- (ii) \$200,000 for a married couple filing a joint return or an individual described in § 2 of the Internal Revenue Code as a head of household or as a surviving spouse.

Chapter 231 of the Acts of 2017

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016[, but before January 1, 2019. It shall remain effective for a period of 2 years and, at the end of June 30, 2019, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect].

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2019.

Approved by the Governor, April 30, 2019.