

HOUSE BILL 450

Q3
HB 589/18 – W&M

9lr2054

By: **Delegates Krebs and Kittleman**

Introduced and read first time: January 31, 2019

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Itemized Deductions**

3 FOR the purpose of allowing an individual to itemize deductions to compute Maryland
4 taxable income whether or not the individual itemizes deductions on the individual's
5 federal income tax return; providing that Maryland itemized deductions shall be
6 determined in a certain manner for an individual who does not itemize deductions
7 on the individual's federal income tax return; providing for the application of this
8 Act; and generally relating to certain deductions allowed for Maryland income tax
9 purposes.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 10–217(a)(1) and 10–218
13 Annotated Code of Maryland
14 (2016 Replacement Volume and 2018 Supplement)

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

17 **Article – Tax – General**

18 10–217.

19 (a) (1) (i) Except as otherwise provided in this subsection, an individual
20 may elect to use the standard deduction to compute Maryland taxable income whether or
21 not the individual itemizes deductions on the individual's federal income tax return in
22 determining federal taxable income.

23 (ii) If an individual elects to use the standard deduction on the
24 [federal] **MARYLAND** income tax return, the individual may not take any itemized

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 deduction in § 10–218 of this subtitle.

2 10–218.

3 (a) [Only an individual who itemizes deductions on the individual’s federal
4 income tax return] **AN INDIVIDUAL** may elect to itemize deductions [on the individual’s
5 income tax return] **TO COMPUTE MARYLAND TAXABLE INCOME WHETHER OR NOT THE**
6 **INDIVIDUAL ITEMIZES DEDUCTIONS ON THE INDIVIDUAL’S FEDERAL INCOME TAX**
7 **RETURN IN DETERMINING FEDERAL TAXABLE INCOME.**

8 (b) [An] **SUBJECT TO SUBSECTION (C) OF THIS SECTION**, AN individual who
9 elects to itemize deductions is allowed as a deduction the sum of the individual’s federal
10 itemized deductions:

11 (1) limited and reduced as required under the Internal Revenue Code;

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

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

18 **(C) FOR AN INDIVIDUAL WHO DOES NOT ITEMIZE DEDUCTIONS ON THE**
19 **INDIVIDUAL’S FEDERAL INCOME TAX RETURN BUT ELECTS TO ITEMIZE DEDUCTIONS**
20 **TO COMPUTE MARYLAND TAXABLE INCOME, THE DEDUCTION ALLOWED UNDER**
21 **SUBSECTION (B) OF THIS SECTION SHALL BE DETERMINED AS IF THE INDIVIDUAL**
22 **ITEMIZED DEDUCTIONS ON THE INDIVIDUAL’S FEDERAL INCOME TAX RETURN.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2019, and shall be applicable to all tax years beginning after December 31, 2019.