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**By: Delegate Leopold**

Introduced and read first time: January 17, 1996

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 15, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

**2 Income Tax - Subtraction Modification for Employer Tuition Reimbursement Payments**

3 FOR the purpose of providing a subtraction modification under the Maryland individual  
4 income tax for certain amounts paid by an individual's employer for higher  
5 educational assistance to the individual; defining a certain term; providing for the  
6 application of this Act; and generally relating to a subtraction modification under  
7 the income tax for certain amounts paid by an employer for educational assistance  
8 to an employee.

9 BY repealing and reenacting, without amendments,

10 Article - Tax - General

11 Section 10-207(a)

12 Annotated Code of Maryland

13 (1988 Volume and 1995 Supplement)

14 BY adding to

15 Article - Tax - General

16 Section 10-207(s)

17 Annotated Code of Maryland

18 (1988 Volume and 1995 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

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1           **Article - Tax - General**

2 10-207.

3           (a) To the extent included in federal adjusted gross income, the amounts under  
4 this section are subtracted from the federal adjusted gross income of a resident to  
5 determine Maryland adjusted gross income.

6           (S) (1) IN THIS SUBSECTION, "HIGHER EDUCATIONAL ASSISTANCE" DOES  
7 NOT INCLUDE ANY PAYMENT FOR ANY COURSE OR OTHER EDUCATION INVOLVING  
8 SPORTS, GAMES, OR HOBBIES.

9           (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
10 INCLUDES UP TO \$1,000 \$500 PAID BY AN INDIVIDUAL'S EMPLOYER FOR HIGHER  
11 EDUCATIONAL ASSISTANCE TO THE INDIVIDUAL UNDER A TUITION  
12 REIMBURSEMENT PLAN.

13           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,  
15 1995.