
By: Delegate Leopold

Introduced and read first time: January 17, 1996

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 Income Tax - Subtraction Modification for Interest on Student Loans

3 FOR the purpose of providing a subtraction modification under the Maryland individual
4 income tax for certain interest paid on indebtedness incurred to pay certain costs
5 for an individual or a dependent of an individual to attend an institution of higher
6 education; providing for the application of this Act; and generally relating to a
7 subtraction modification under the income tax for certain interest paid on
8 indebtedness incurred to pay certain costs for higher education of an individual or
9 the individual's dependents.

10 BY repealing and reenacting, without amendments,

11 Article - Tax - General
12 Section 10-208(a)
13 Annotated Code of Maryland
14 (1988 Volume and 1995 Supplement)

15 BY adding to

16 Article - Tax - General
17 Section 10-208(l)
18 Annotated Code of Maryland
19 (1988 Volume and 1995 Supplement)

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

22 **Article - Tax - General**

23 10-208.

24 (a) In addition to the modification under § 10-207 of this subtitle, the amounts
25 under this section are subtracted from the federal adjusted gross income of a resident to
26 determine Maryland adjusted gross income.

27 (L) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE
28 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT
29 OF INTEREST PAID ON INDEBTEDNESS INCURRED TO PAY FOR TUITION, FEES,

HOUSE BILL 154

2

1 ROOM, AND BOARD FOR THE INDIVIDUAL OR A DEPENDENT OF THE INDIVIDUAL TO
2 ATTEND AN INSTITUTION OF HIGHER EDUCATION.

3 (2) IF THE INDIVIDUAL ITEMIZES DEDUCTIONS UNDER THIS SUBTITLE,
4 THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT
5 INCLUDE ANY INTEREST THAT IS QUALIFIED RESIDENCE INTEREST UNDER § 163 OF
6 THE INTERNAL REVENUE CODE.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,
9 1995.