
**By: Delegates Leopold, Bozman, Finifter, McKee, Beck, Rzepkowski, Ports, Greenip,
and Cryor**

Requested: June 25, 1996

Introduced and read first time: January 8, 1997

Assigned to: Ways and Means

A BILL ENTITLED

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 1996 Supplement)

14 BY adding to
15 Article - Tax - General
16 Section 10-207(s)
17 Annotated Code of Maryland
18 (1988 Volume and 1996 Supplement)

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

21 **Article - Tax - General**

22 10-207.

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

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

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

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 1997 and shall be applicable to all taxable years beginning after December 31,
7 1996.