

HB 153/96 - W&M

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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 1997

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

2

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) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE
10 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES UP TO \$500 PAID
11 BY AN INDIVIDUAL'S EMPLOYER FOR HIGHER EDUCATIONAL ASSISTANCE TO THE
12 INDIVIDUAL UNDER A TUITION REIMBURSEMENT PLAN.

13 (3) THE SUBTRACTION UNDER THIS SUBSECTION DOES NOT APPLY FOR
14 ANY TAXABLE YEAR IF § 127 OF THE INTERNAL REVENUE CODE, PROVIDING AN
15 EXCLUSION FROM GROSS INCOME FOR EDUCATIONAL ASSISTANCE TO AN
16 EMPLOYEE, APPLIES FOR THE TAXABLE YEAR.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 1997 and shall be applicable to all taxable years beginning after December 31,
19 1996.