
By: Chairman, Ways and Means Committee (Departmental - Comptroller)

Introduced and read first time: January 15, 1997

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtractions from Federal Adjusted Gross Income - Installment Sale**
3 **Income**

4 FOR the purpose of authorizing a subtraction modification for certain gain on certain
5 installment sales that is included in federal adjusted gross income; providing for the
6 application of this Act; and generally relating to the taxation of certain gain from
7 certain installment sales.

8 BY repealing and reenacting, without amendments,
9 Article - Tax - General
10 Section 10-207(a)
11 Annotated Code of Maryland
12 (1988 Volume and 1996 Supplement)

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

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

20 **Article - Tax - General**

21 10-207.

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

25 (S) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES
26 THE GAIN THAT IS RECOGNIZED FOR THE CURRENT TAXABLE YEAR FOR FEDERAL
27 INCOME TAX PURPOSES ON AN INSTALLMENT SALE, WITHIN THE MEANING OF § 453
28 OF THE INTERNAL REVENUE CODE, OF PROPERTY LOCATED IN A STATE OTHER
29 THAN MARYLAND IF:

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1 (1) THE DISPOSITION OCCURRED DURING A PRIOR TAXABLE YEAR;
2 AND

3 (2) THE TAXPAYER PAID STATE TAX ON INCOME ON THE FULL AMOUNT
4 OF THE GAIN FOR THE TAXABLE YEAR IN WHICH THE DISPOSITION OCCURRED TO
5 THE STATE WHERE THE PROPERTY WAS LOCATED.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 1997 and shall be applicable to all taxable years beginning after December 31,
8 1996.