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**By: Delegates Conroy and Poole**

Introduced and read first time: February 21, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Ground Heat Pump Systems**

3 FOR the purpose of providing a subtraction modification under the Maryland income tax  
4 for certain amounts paid by an individual for a ground heat pump system; providing  
5 for the application of this Act; and generally relating to a subtraction modification  
6 for certain amounts paid for a ground heat pump system.

7 BY repealing and reenacting, without amendments,

8 Article - Tax - General

9 Section 10-208(a)

10 Annotated Code of Maryland

11 (1988 Volume and 1996 Supplement)

12 BY adding to

13 Article - Tax - General

14 Section 10-208(h)

15 Annotated Code of Maryland

16 (1988 Volume and 1996 Supplement)

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

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

19 **Article - Tax - General**

20 10-208.

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

24 (H) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES  
25 100% OF THE EXPENSES THAT A TAXPAYER INCURS TO BUY AND INSTALL A GROUND  
26 HEAT PUMP SYSTEM.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

28 July 1, 1997 and shall be applicable to all taxable years beginning after December 31,

29 1996.