
By: **Delegates Hixson, Feldman, Frush, Heller, Kaiser, King, Madaleno,
Marriott, McIntosh, Moe, and Ross**

Introduced and read first time: February 10, 2005

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Health Insurance and Medical**
3 **Expenses**

4 FOR the purpose of providing a subtraction modification under the Maryland income
5 tax for the costs of health insurance and other medical expenses incurred by an
6 individual on behalf of another adult individual under certain circumstances;
7 providing that the subtraction may not exceed a certain amount; providing for
8 the application of this Act; and generally relating to an income tax subtraction
9 modification for the costs of health insurance and other medical expenses
10 incurred on behalf of another adult individual.

11 BY repealing and reenacting, without amendments,
12 Article - Tax - General
13 Section 10-208(a)
14 Annotated Code of Maryland
15 (2004 Replacement Volume)

16 BY adding to
17 Article - Tax - General
18 Section 10-208(q)
19 Annotated Code of Maryland
20 (2004 Replacement Volume)

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

23 **Article - Tax - General**

24 10-208.

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

1 (Q) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
2 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES 100% OF THE
3 COSTS OF HEALTH INSURANCE AND OTHER MEDICAL EXPENSES THAT AN
4 INDIVIDUAL INCURS ON BEHALF OF ANOTHER INDIVIDUAL IF THE OTHER
5 INDIVIDUAL:

6 (I) IS NOT A DEPENDENT, AS DEFINED UNDER § 152 OF THE
7 INTERNAL REVENUE CODE;

8 (II) IS AT LEAST 18 YEARS OF AGE; AND

9 (III) RESIDES IN THE SAME HOUSEHOLD AS THE INDIVIDUAL
10 CLAIMING THE SUBTRACTION MODIFICATION.

11 (2) THE SUBTRACTION UNDER THIS SUBSECTION MAY NOT EXCEED
12 \$10,000 FOR ANY TAXABLE YEAR.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2005, and shall be applicable to all taxable years beginning after December 31,
15 2004.