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By: **Delegates Hixson, Bozman, Healey, Howard, Marriott, and Patterson**  
Introduced and read first time: January 16, 2006  
Assigned to: Ways and Means

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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 and 2005 Supplement)

16 BY adding to  
17 Article - Tax - General  
18 Section 10-208(q)  
19 Annotated Code of Maryland  
20 (2004 Replacement Volume and 2005 Supplement)

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 \$5,000 FOR ANY TAXABLE YEAR.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,  
15 2005.