

---

By: **Delegate Simmons**

Introduced and read first time: February 2, 2006

Assigned to: Ways and Means

---

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Itemized Deductions - Treatment of Gambling Losses**

3 FOR the purpose of providing for the Maryland income tax treatment of certain losses  
4 from gambling; providing for the application of this Act; and generally relating  
5 to the Maryland income tax treatment of gambling losses.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - General  
8 Section 10-218  
9 Annotated Code of Maryland  
10 (2004 Replacement Volume and 2005 Supplement)

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

13 **Article - Tax - General**

14 10-218.

15 (a) Only an individual who itemizes deductions on the individual's federal  
16 income tax return may elect to itemize deductions on the individual's income tax  
17 return.

18 (b) An individual who elects to itemize deductions is allowed as a deduction  
19 the sum of the individual's federal itemized deductions:

20 (1) limited and reduced as required under the Internal Revenue Code;

21 (2) further reduced by any amount deducted under § 170 of the Internal  
22 Revenue Code for contributions of a preservation or conservation easement for which  
23 a credit is claimed under § 10-723 of this title; [and]

24 (3) further reduced by the amount claimed as taxes on income paid to a  
25 state or political subdivision of a state, after subtracting a pro rata portion of the  
26 reduction to itemized deductions required under § 68 of the Internal Revenue Code;

27 AND

1           (4)       FURTHER REDUCED BY THE AMOUNT OF ANY WAGERING LOSSES  
2 DEDUCTED UNDER § 165(D) OF THE INTERNAL REVENUE CODE.

3       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,  
5 2005.