

SENATE BILL 529

Q3

71r2306

By: **Senators Madaleno and Kramer**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

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 2006 Supplement)

16 BY adding to
17 Article – Tax – General
18 Section 10–208(q)
19 Annotated Code of Maryland
20 (2004 Replacement Volume and 2006 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article - Tax - General**

2 10-208.

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

6 **(Q) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
7 **SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES 100% OF**
8 **THE COSTS OF HEALTH INSURANCE AND OTHER MEDICAL EXPENSES THAT A**
9 **TAXPAYER INCURS ON BEHALF OF ANOTHER INDIVIDUAL IF THE OTHER**
10 **INDIVIDUAL:**

11 **(I) MAY NOT BE CLAIMED BY THE TAXPAYER AS A**
12 **DEPENDENT UNDER § 151 OF THE INTERNAL REVENUE CODE;**

13 **(II) IS AT LEAST 18 YEARS OLD; AND**

14 **(III) RESIDES IN THE SAME HOUSEHOLD AS THE TAXPAYER.**

15 **(2) THE SUBTRACTION UNDER THIS SUBSECTION:**

16 **(I) MAY NOT BE CLAIMED FOR ANY COSTS THAT ARE**
17 **DEDUCTIBLE UNDER THE INTERNAL REVENUE CODE OR FOR ANY PRE-TAX**
18 **INSURANCE PREMIUMS OR OTHER PRE-TAX HEALTH BENEFITS; AND**

19 **(II) MAY NOT EXCEED \$5,000 FOR ANY TAXABLE YEAR.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2007, and shall be applicable to all taxable years beginning after December 31,
22 2006.