

# HOUSE BILL 819

Q3  
HB 752/09 – W&M

0lr1959  
CF SB 262

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By: **Delegates Love, Boteler, Cane, Carr, DeBoy, Elmore, George, Glenn, Hecht, Heller, Howard, Impallaria, James, Kach, Kipke, Manno, Mathias, McConkey, McDonough, McHale, Minnick, Montgomery, O'Donnell, Reznik, Riley, Shewell, Sophocleus, Sossi, F. Turner, and Wood**

Introduced and read first time: February 9, 2010

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – U.S. Government Employees' Foreign Earned Income**

3 FOR the purpose of making permanent a subtraction modification under the Maryland  
4 income tax for certain foreign earned income of employees of the United States  
5 or of any agency of the United States; providing for the application of this Act;  
6 and generally relating to an income tax subtraction modification for certain  
7 foreign earned income of an individual earned as an employee of the United  
8 States or of an agency of the United States.

9 BY repealing and reenacting, without amendments,  
10 Article – Tax – General  
11 Section 10–207(a)  
12 Annotated Code of Maryland  
13 (2004 Replacement Volume and 2009 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Tax – General  
16 Section 10–207(w)  
17 Annotated Code of Maryland  
18 (2004 Replacement Volume and 2009 Supplement)

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

21 **Article – Tax – General**

22 10–207.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (a) To the extent included in federal adjusted gross income, the amounts  
2 under this section are subtracted from the federal adjusted gross income of a resident  
3 to determine Maryland adjusted gross income.

4           (w) (1) In this subsection:

5                       (i) except as provided in item (ii) of this paragraph, “foreign  
6 earned income” means foreign earned income within the meaning of § 911(b)(1) of the  
7 Internal Revenue Code, subject to the limitation under § 911(b)(2) of the Internal  
8 Revenue Code; and

9                       (ii) “foreign earned income” includes amounts paid by the  
10 United States or an agency of the United States to an employee of the United States or  
11 of an agency of the United States.

12           (2) Subject to the limitation under paragraph (3) of this subsection,  
13 [for each taxable year beginning after December 31, 2006, but before January 1,  
14 2010,] the subtraction under subsection (a) of this section includes the foreign earned  
15 income of an individual earned as an employee of the United States or of an agency of  
16 the United States.

17           (3) The amount subtracted under this section:

18                       (i) does not include any amount subtracted under any other  
19 provisions of this section; and

20                       (ii) may not exceed \$3,500 for any taxable year.

21           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2010, and shall be applicable to all taxable years beginning after December 31,  
23 2009.