

# HOUSE BILL 640

Q3

2lr2349

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By: Delegates Serafini, Dwyer, Glass, ~~and Ready~~ Ready, Afzali, Barve, Boteler, Cardin, Frick, George, Hixson, Howard, Ivey, Kaiser, Luedtke, A. Miller, Myers, Rosenberg, Ross, Stukes, F. Turner, and Walker

Introduced and read first time: February 8, 2012

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Credit Card Debt Forgiveness**

3 FOR the purpose of allowing a subtraction modification under the Maryland income  
4 tax for certain income of certain individuals from the cancellation of certain  
5 consumer debt; providing that the amount of the subtraction modification may  
6 not exceed a certain amount for certain taxpayers; providing for the application  
7 of this Act; and generally relating to a subtraction modification under the  
8 Maryland income tax for certain income from the cancellation of certain debt.

9 BY repealing and reenacting, without amendments,  
10 Article – Tax – General  
11 Section 10–207(a)  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume and 2011 Supplement)

14 BY adding to  
15 Article – Tax – General  
16 Section 10–207(y)  
17 Annotated Code of Maryland  
18 (2010 Replacement Volume and 2011 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



## 1 Article – Tax – General

2 10–207.

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

6 **(Y) (1) SUBJECT TO ~~PARAGRAPH~~ PARAGRAPHS (2) AND (3) OF THIS**  
7 **SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**  
8 **INCLUDES THE AMOUNT OF INCOME FROM THE CANCELLATION OF CONSUMER**  
9 **CREDIT CARD DEBT.**

10 **(2) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS**  
11 **SUBSECTION IS NOT ALLOWED IF THE INDIVIDUAL’S FEDERAL ADJUSTED GROSS**  
12 **INCOME EXCEEDS:**

13 **(I) \$50,000 FOR AN INDIVIDUAL; OR**

14 **(II) \$80,000 FOR A MARRIED COUPLE FILING A JOINT**  
15 **RETURN.**

16 **(3) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS**  
17 **SUBSECTION MAY NOT EXCEED:**

18 **(I) \$5,000 FOR AN INDIVIDUAL; OR**

19 **(II) \$8,000 FOR A MARRIED COUPLE FILING A JOINT**  
20 **RETURN.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2012, and shall be applicable to all taxable years beginning after December 31,  
23 2011.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.