

Chapter 587

(Senate Bill 807)

AN ACT concerning

**Income Tax – Subtraction Modification – Land Acquisition for
~~Transportation-Related Projects~~ Department of Transportation**

FOR the purpose of allowing a subtraction modification under the Maryland income tax for *the amount of a gain resulting from* a payment by the ~~State Highway Administration~~ Maryland Department of Transportation for the acquisition of a portion of an individual's property *on which the individual's principal residence is located* ~~for use in certain transportation projects; limiting the subtraction modification to a certain amount;~~ providing for the application of this Act; and generally relating to an income tax subtraction modification for *gain resulting from* certain payments by the ~~State Highway Administration~~ Maryland Department of Transportation.

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

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

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

Article – Tax – General

10–207.

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

(Y) (1) ~~THE~~ IN THIS SUBSECTION, “PRINCIPAL RESIDENCE” HAS THE MEANING STATED IN § 121 OF THE INTERNAL REVENUE CODE.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF A GAIN RESULTING FROM A PAYMENT FROM THE ~~STATE HIGHWAY ADMINISTRATION~~ MARYLAND DEPARTMENT OF TRANSPORTATION TO AN INDIVIDUAL FOR THE ACQUISITION OF A PORTION OF THE INDIVIDUAL'S PROPERTY ON WHICH THE INDIVIDUAL'S PRINCIPAL RESIDENCE IS LOCATED FOR USE IN A TRANSPORTATION-RELATED PROJECT.

(3) THE AMOUNT SUBTRACTED UNDER THIS SUBSECTION MAY NOT EXCEED THE AMOUNT THAT MAY BE EXCLUDED FROM INCOME ON THE CONDEMNATION OF AN INDIVIDUAL'S PRINCIPAL RESIDENCE UNDER § 121 OF THE INTERNAL REVENUE CODE.

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

Approved by the Governor, May 22, 2012.