HOUSE BILL 87

Q3, F5   3lr0309

By: **Delegates Luedtke, Frick, A. Miller, Serafini, Walker, and Zucker**
Introduced and read first time: January 14, 2013
Assigned to: Ways and Means

A BILL ENTITLED

1   AN ACT concerning

2   **Income Tax – Subtraction Modification – Student Loan Debt**

3   FOR the purpose of allowing a subtraction modification under the Maryland income
4   tax for certain income of certain individuals from the discharge of student loan
5   indebtedness; 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 discharge of certain
9   indebtedness.

10   BY repealing and reenacting, without amendments,
11   Article – Tax – General
12   Section 10–207(a)
13   Annotated Code of Maryland
14   (2010 Replacement Volume and 2012 Supplement)

15   BY adding to
16   Article – Tax – General
17   Section 10–207(aa)
18   Annotated Code of Maryland
19   (2010 Replacement Volume and 2012 Supplement)

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

Article – Tax – General

23   10–207.

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   **(AA) (1)   SUBJECT TO THE LIMITATION UNDER PARAGRAPH (2) OF THIS**
5 **SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
6 **INCLUDES THE AMOUNT OF STUDENT LOAN INDEBTEDNESS DISCHARGED.**

7   **(2)   THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS**
8 **SUBSECTION MAY NOT EXCEED:**

9   **(I) $15,000 FOR AN INDIVIDUAL; OR**

10   **(II) $25,000 FOR A MARRIED COUPLE FILING A JOINT**
11 **RETURN.**

12   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2013, and shall be applicable to all taxable years beginning after December 31,
14 2012.