

HOUSE BILL 123

Q3
HB 640/12 – W&M

3lr1682

By: **Delegate Serafini**

Introduced and read first time: January 17, 2013

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 14, 2013

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 2012 Supplement)

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

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 10-207.

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

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

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

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

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

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

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

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

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2013, and shall be applicable to all taxable years beginning after December 31,
22 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.