

SENATE BILL 596

Q3
SB 580/12 – B&T

4r2541
CF 4r1907

By: **Senators Peters, Kasemeyer, King, Klausmeier, Raskin, and Robey**

Introduced and read first time: January 30, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief –**
3 **Extension**

4 FOR the purpose of extending certain termination provisions relating to a certain
5 income tax subtraction modification for certain discharged mortgage debt; and
6 generally relating to an income tax subtraction modification for mortgage
7 forgiveness debt relief.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a) and (y)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2013 Supplement)

13 BY repealing and reenacting, with amendments,
14 Chapter 545 of the Acts of the General Assembly of 2012
15 Section 3

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

18 **Article – Tax – General**

19 10–207.

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

23 (y) (1) The subtraction under subsection (a) of this section includes the
24 amount that would have been allowed for indebtedness discharged for qualified

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 principal residence indebtedness under the federal Mortgage Forgiveness Debt Relief
2 Act of 2007, as amended, prior to its expiration on December 31, 2012, and without
3 regard to the date limitation in § 108(a)(1)(e) of the Internal Revenue Code.

4 (2) The subtraction under paragraph (1) of this subsection applies only
5 to an owner-occupied principal residence.

6 (3) The subtraction under paragraph (1) of this subsection may not
7 exceed:

8 (i) \$1,000,000 for an individual; or

9 (ii) \$2,000,000 for a married couple filing a joint return or an
10 individual described in § 2 of the Internal Revenue Code as a head of household or as a
11 surviving spouse.

12 Chapter 545 of the Acts of 2012

13 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
14 take effect July 1, 2012, and shall be applicable to all taxable years beginning after
15 December 31, 2012, but before January 1, [2014] **2016**. It shall remain effective for a
16 period of [2] 4 years and, at the end of June 30, [2014] **2016**, with no further action
17 required by the General Assembly, this Act shall be abrogated and of no further force
18 and effect.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2014.