

Chapter 529

(House Bill 923)

AN ACT concerning

Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief – Extension

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

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

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

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 subtraction under subsection (a) of this section includes the amount that would have been allowed for indebtedness discharged for qualified principal residence indebtedness under the federal Mortgage Forgiveness Debt Relief Act of 2007, as amended, prior to its expiration on December 31, 2012, and without regard to the date limitation in § 108(a)(1)(e) of the Internal Revenue Code.

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

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

- (i) ~~\$1,000,000~~ **\$100,000** for an individual; or
- (ii) ~~\$2,000,000~~ **\$200,000** for a married couple filing a joint return or an individual described in § 2 of the Internal Revenue Code as a head of household or as a surviving spouse.

Chapter 545 of the Acts of 2012

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

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

Approved by the Governor, May 15, 2014.