

# HOUSE BILL 83

Q3

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By: **Delegates Luedtke, Afzali, D. Barnes, Buckel, Ebersole, Fennell, Glass, Hill, Hixson, Hornberger, C. Howard, Kaiser, Patterson, Reilly, Reznik, Rose, Sanchez, Shoemaker, Simonaire, Tarlau, Turner, A. Washington, and M. Washington**

Introduced and read first time: January 13, 2017

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering a subtraction modification under the Maryland income tax for  
4 certain income of certain individuals resulting from the discharge of student loan  
5 indebtedness by repealing a requirement that the discharge must be due to total and  
6 permanent disability or death; making a conforming change; providing for the  
7 application of this Act; and generally relating to a subtraction modification under  
8 the Maryland income tax for certain income resulting 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 (2016 Replacement Volume)

15 BY repealing and reenacting, with amendments,

16 Article – Tax – General  
17 Section 10–207(aa)  
18 Annotated Code of Maryland  
19 (2016 Replacement Volume)

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

22 **Article – Tax – General**

23 10–207.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4           (aa) (1)   The subtraction under subsection (a) of this section includes the amount  
5 of student loan indebtedness discharged [due to total and permanent disability or death].

6                   (2)   To qualify for the subtraction modification provided under this  
7 subsection, an individual must attach to the individual's income tax return or otherwise  
8 file with the Comptroller a copy of the notice stating that the loans have been discharged  
9 [due to total and permanent disability or death].

10           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
11 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.