

HOUSE BILL 697

Q3
HB 861/08 – W&M

8lr2127

By: **Delegate Afzali**

Introduced and read first time: January 31, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Individual Income Tax – Itemized Deductions on State Income Tax Return**

3 FOR the purpose of allowing an individual, under certain circumstances, to itemize
4 deductions to compute Maryland taxable income whether or not the individual
5 itemizes deductions on the individual’s federal income tax return; providing that
6 Maryland itemized deductions shall be determined in a certain manner for an
7 individual who does not itemize deductions on the individual’s federal income tax
8 return; providing for the application of this Act; and generally relating to certain
9 deductions allowed for Maryland income tax purposes.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 10–217(a)(1) and 10–218
13 Annotated Code of Maryland
14 (2016 Replacement Volume and 2017 Supplement)

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

17 **Article – Tax – General**

18 10–217.

19 (a) (1) (i) Except as otherwise provided in this subsection, an individual
20 may elect to use the standard deduction to compute Maryland taxable income whether or
21 not the individual itemizes deductions on the individual’s federal income tax return in
22 determining federal taxable income.

23 (ii) If an individual elects to use the standard deduction on the
24 [federal] **MARYLAND** income tax return, the individual may not take any itemized

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 deduction in § 10–218 of this subtitle.

2 10–218.

3 (a) [Only an individual who itemizes deductions on the individual’s federal
4 income tax return] **AN INDIVIDUAL** may elect to itemize deductions [on the individual’s
5 income tax return] **TO COMPUTE MARYLAND TAXABLE INCOME WHETHER OR NOT THE**
6 **INDIVIDUAL ITEMIZES DEDUCTIONS ON THE INDIVIDUAL’S FEDERAL INCOME TAX**
7 **RETURN IN DETERMINING FEDERAL TAXABLE INCOME, IF:**

8 (1) **FOR AN INDIVIDUAL WHO DOES NOT FILE A JOINT INCOME TAX**
9 **RETURN, THE INDIVIDUAL IS ELIGIBLE TO CLAIM AT LEAST \$6,300 IN ITEMIZED**
10 **DEDUCTIONS ON THE INDIVIDUAL’S FEDERAL INCOME TAX RETURN; OR**

11 (2) **FOR A MARRIED COUPLE FILING A JOINT INCOME TAX RETURN,**
12 **THE MARRIED COUPLE IS ELIGIBLE TO CLAIM AT LEAST \$12,600 IN ITEMIZED**
13 **DEDUCTIONS ON THE COUPLE’S FEDERAL INCOME TAX RETURN.**

14 (b) [An] **SUBJECT TO SUBSECTION (C) OF THIS SECTION,** AN individual who
15 elects to itemize deductions is allowed as a deduction the sum of the individual’s federal
16 itemized deductions:

17 (1) limited and reduced as required under the Internal Revenue Code;

18 (2) further reduced by any amount deducted under § 170 of the Internal
19 Revenue Code for contributions of a preservation or conservation easement for which a
20 credit is claimed under § 10–723 of this title; and

21 (3) further reduced by the amount claimed as taxes on income paid to a
22 state or political subdivision of a state, after subtracting a pro rata portion of the reduction
23 to itemized deductions required under § 68 of the Internal Revenue Code.

24 (c) **FOR AN INDIVIDUAL WHO DOES NOT ITEMIZE DEDUCTIONS ON THE**
25 **INDIVIDUAL’S FEDERAL INCOME TAX RETURN BUT ELECTS TO ITEMIZE DEDUCTIONS**
26 **TO COMPUTE MARYLAND TAXABLE INCOME, THE DEDUCTION ALLOWED UNDER**
27 **SUBSECTION (B) OF THIS SECTION SHALL BE DETERMINED AS IF THE INDIVIDUAL**
28 **ITEMIZED DEDUCTIONS ON THE INDIVIDUAL’S FEDERAL INCOME TAX RETURN.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.