

HOUSE BILL 1111

Q3
HB 788/20 – W&M

1lr2745

By: **Delegate Wivell**

Introduced and read first time: February 5, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Itemized Deductions**

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

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 10–217(a)(1) and 10–218
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2020 Supplement)

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

16 **Article – Tax – General**

17 10–217.

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

22 (ii) If an individual elects to use the standard deduction on the
23 [federal] MARYLAND income tax return, the individual may not take any itemized
24 deduction in § 10–218 of this subtitle.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 10-218.

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

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

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

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

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

17 **(C) FOR AN INDIVIDUAL WHO DOES NOT ITEMIZE DEDUCTIONS ON THE**
18 **INDIVIDUAL'S FEDERAL INCOME TAX RETURN BUT ELECTS TO ITEMIZE DEDUCTIONS**
19 **TO COMPUTE MARYLAND TAXABLE INCOME, THE DEDUCTION ALLOWED UNDER**
20 **SUBSECTION (B) OF THIS SECTION SHALL BE DETERMINED AS IF THE INDIVIDUAL**
21 **ITEMIZED DEDUCTIONS ON THE INDIVIDUAL'S FEDERAL INCOME TAX RETURN.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.