HOUSE BILL 1326

By: Delegates Wivell, Arikan, Boteler, Hornberger, McComas, McKay, Morgan, Shoemaker, Szeliga, and Thiam
Introduced and read first time: February 11, 2022
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Income Tax – Subtraction Modification – Rental Real Estate Activities

FOR the purpose of allowing a subtraction modification under the Maryland income tax for a certain amount of passive activity loss attributable to certain rental real estate activities; and generally relating to a Maryland income tax subtraction modification for passive activity losses attributable to rental real estate activities.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 10–208(a)
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

BY adding to
Article – Tax – General
Section 10–208(bb)
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

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

Article – Tax – General

10–208.

(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
(BB) (1) In this subsection, “passive activity loss” has the meaning stated in § 469 of the Internal Revenue Code.

(2) This subsection does not apply to an individual taxpayer described under § 469(c)(7) of the Internal Revenue Code.

(3) The subtraction under subsection (a) of this section includes an amount, not exceeding $25,000, equal to a passive activity loss incurred by an individual that is attributable to the individual’s rental real estate activities and excluded from the individual’s federal adjusted gross income under § 469(i) of the Internal Revenue Code.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.