

SENATE BILL 408

Q3

3lr2108
CF HB 442

By: **Senators Ready, Carozza, Gallion, Salling, and West**
Introduced and read first time: February 1, 2023
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Qualified Broadband Grants**

3 FOR the purpose of allowing a subtraction modification under the Maryland income tax for
4 certain qualified broadband grants awarded during the taxable year for broadband
5 deployment; and generally relating to a subtraction modification under the
6 Maryland income tax for broadband deployment grants.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – General

9 Section 10–207(a) and 10–307(a)

10 Annotated Code of Maryland

11 (2022 Replacement Volume)

12 BY adding to

13 Article – Tax – General

14 Section 10–207(oo) and 10–307(g)(7)

15 Annotated Code of Maryland

16 (2022 Replacement Volume)

17 BY repealing and reenacting, with amendments,

18 Article – Tax – General

19 Section 10–307(g)(5) and (6)

20 Annotated Code of Maryland

21 (2022 Replacement Volume)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

24 **Article – Tax – General**

25 10–207.

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 **(OO) (1) IN THIS SUBSECTION, “QUALIFIED BROADBAND GRANT” MEANS**
5 **ANY FEDERAL, STATE, OR LOCAL GRANT FOR BROADBAND INFRASTRUCTURE AND**
6 **MADE FOR THE PURPOSE OF BROADBAND DEPLOYMENT.**

7 **(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**
8 **INCLUDES THE AMOUNT OF ANY QUALIFIED BROADBAND GRANT AWARDED TO THE**
9 **TAXPAYER DURING THE TAXABLE YEAR.**

10 10–307.

11 (a) To the extent included in federal taxable income, the amounts under this
12 section are subtracted from the federal taxable income of a corporation to determine
13 Maryland modified income.

14 (g) The subtraction under subsection (a) of this section includes the amounts
15 allowed to be subtracted for an individual under:

16 (5) § 10–207(hh) of this title (Gain on the transfer of property within the
17 Laurel Park site or Pimlico site or Bowie Race Course Training Center property and income
18 recognized as result of governmental expenditures); [or]

19 (6) § 10–207(jj) of this title (Coronavirus relief payments); **OR**

20 **(7) § 10–207(OO) OF THIS TITLE (QUALIFIED BROADBAND GRANTS).**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2023, and shall be applicable to all taxable years beginning after December 31, 2022.