

HOUSE BILL 651

Q1, Q2, Q3
HB 1286/25 – W&M

6lr2028

By: **Delegates R. Long, Ciliberti, and Tomlinson**

Introduced and read first time: January 30, 2026

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Exemptions – Individuals Detained or Taken Hostage Abroad**

3 FOR the purpose of exempting from taxation the income of a certain individual detained or
4 taken hostage abroad during the taxable year and the spouse of that individual;
5 exempting from property tax certain property that is owned by an individual
6 detained or taken hostage abroad or the spouse of that individual, subject to certain
7 limitations; and generally relating to tax exemptions for individuals detained or
8 taken hostage abroad and the spouses of those individuals.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 1–101(a) and (g)
12 Annotated Code of Maryland
13 (2022 Replacement Volume and 2025 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–104
17 Annotated Code of Maryland
18 (2022 Replacement Volume and 2025 Supplement)

19 BY adding to
20 Article – Tax – General
21 Section 10–110
22 Annotated Code of Maryland
23 (2022 Replacement Volume and 2025 Supplement)

24 BY adding to
25 Article – Tax – Property
26 Section 7–252
27 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2019 Replacement Volume and 2025 Supplement)

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

Article – Tax – General

1–101.

(a) In this article the following words have the meanings indicated.

(g) “Department” means the State Department of Assessments and Taxation.

10–104.

The income tax does not apply to the income of:

(1) a common trust fund, as defined in § 3–501(b) of the Financial Institutions Article;

(2) except as provided in §§ 10–101(e)(3) of this subtitle and 10–304(2) of this title, an organization that is exempt from taxation under § 408(e)(1) or § 501 of the Internal Revenue Code;

(3) a financial institution that is subject to the financial institution franchise tax;

(4) a person subject to taxation under Title 6 of the Insurance Article;

(5) except as provided in § 10–102.1 of this subtitle, a partnership, as defined in § 761 of the Internal Revenue Code;

(6) except as provided in § 10–102.1 of this subtitle and § 10–304(3) of this title, an S corporation;

(7) except as provided in § 10–304(4) of this title, an investment conduit or a special exempt entity; [or]

(8) except as provided in § 10–102.1 of this subtitle, a limited liability company as defined under Title 4A of the Corporations and Associations Article to the extent that the company is taxable as a partnership, as defined in § 761 of the Internal Revenue Code; **OR**

(9) (I) AN INDIVIDUAL DETAINED OR TAKEN HOSTAGE ABROAD, AS DEFINED UNDER § 10–110 OF THIS SUBTITLE; AND

(II) THE SPOUSE OF AN INDIVIDUAL DESCRIBED UNDER ITEM (I) OF THIS ITEM.

10-110.

(A) IN THIS SECTION, "INDIVIDUAL DETAINED OR TAKEN HOSTAGE ABROAD" MEANS A UNITED STATES NATIONAL WHO, DURING THE TAXABLE YEAR, IS:

(1) UNLAWFULLY OR WRONGFULLY DETAINED ABROAD, AS DETERMINED UNDER § 302 OF THE ROBERT LEVINSON HOSTAGE RECOVERY AND HOSTAGE-TAKING ACCOUNTABILITY ACT; OR

(2) TAKEN HOSTAGE ABROAD, AS DETERMINED UNDER § 304 OF THE ROBERT LEVINSON HOSTAGE RECOVERY AND HOSTAGE-TAKING ACCOUNTABILITY ACT.

(B) THE COMPTROLLER, IN COLLABORATION WITH THE DEPARTMENT, SHALL:

(1) REGULARLY CONTACT THE U.S. DEPARTMENT OF STATE FOR INFORMATION ON INDIVIDUALS DETAINED OR TAKEN HOSTAGE ABROAD;

(2) MAINTAIN A LIST OF INDIVIDUALS IDENTIFIED UNDER ITEM (1) OF THIS SUBSECTION; AND

(3) SHARE THE LIST PREPARED IN ACCORDANCE WITH ITEM (2) OF THIS SUBSECTION WITH THE COLLECTOR FOR EACH COUNTY, AS DEFINED UNDER § 1-101 OF THE TAX - PROPERTY ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - Property

7-252.

(A) IN THIS SECTION, "INDIVIDUAL DETAINED OR TAKEN HOSTAGE ABROAD" HAS THE MEANING STATED IN § 10-110 OF THE TAX - GENERAL ARTICLE.

(B) PROPERTY IS NOT SUBJECT TO PROPERTY TAX IF THE PROPERTY:

(1) IS OWNED BY:

1 **(I) AN INDIVIDUAL DETAINED OR TAKEN HOSTAGE ABROAD; OR**

2 **(II) THE SPOUSE OF AN INDIVIDUAL DETAINED OR TAKEN**
3 **HOSTAGE ABROAD; AND**

4 **(2) (I) IS ACTUALLY AND EXCLUSIVELY USED BY THE SPOUSE OF**
5 **AN INDIVIDUAL DETAINED OR TAKEN HOSTAGE ABROAD; OR**

6 **(II) WAS ACTUALLY AND EXCLUSIVELY USED BY AN INDIVIDUAL**
7 **DETAINED OR TAKEN HOSTAGE ABROAD UNTIL THE INDIVIDUAL WAS WRONGFULLY**
8 **DETAINED OR TAKEN HOSTAGE.**

9 **(C) AN EXEMPTION UNDER THIS SECTION SHALL BE GRANTED IN ADDITION**
10 **TO ANY OTHER EXEMPTION AUTHORIZED BY LAW.**

11 **(D) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY**
12 **AUTHORIZE, BY LAW, A REFUND TO AN INDIVIDUAL WHO IS ELIGIBLE FOR THE**
13 **EXEMPTION UNDER THIS SECTION FOR ANY COUNTY OR MUNICIPAL CORPORATION**
14 **PROPERTY TAX PAID IN THE TAXABLE YEARS IN WHICH AN EXEMPTION WAS**
15 **AUTHORIZED BUT NOT GRANTED.**

16 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be
17 applicable to all taxable years beginning after December 31, 2025.

18 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
19 applicable to all taxable years beginning after June 30, 2026.

20 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect June
21 1, 2026.