

# HOUSE BILL 1080

Q3

6lr3448

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By: **Delegate Solomon**

Introduced and read first time: February 10, 2026

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Addition Modifications – Excluded Opportunity Fund Gains,**  
3 **Foreign–Derived Deduction Eligible Income, and Interest**

4 FOR the purpose of prohibiting the Governor from nominating a census tract for  
5 designation as a qualified opportunity zone; providing an addition modification  
6 under the Maryland income tax for the capital gains from certain qualified  
7 opportunity funds; providing an addition modification under the Maryland corporate  
8 income tax for certain foreign–derived deduction eligible income and the amount of  
9 interest paid on loans that secure certain rural property; and generally relating to  
10 the effect of amendments to the Internal Revenue Code on the Maryland income tax.

11 BY adding to  
12 Article – State Government  
13 Section 3–309  
14 Annotated Code of Maryland  
15 (2021 Replacement Volume and 2025 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – Tax – General  
18 Section 10–204(a) and 10–305(a)  
19 Annotated Code of Maryland  
20 (2022 Replacement Volume and 2025 Supplement)

21 BY adding to  
22 Article – Tax – General  
23 Section 10–204(m) and 10–305(e) and (f)  
24 Annotated Code of Maryland  
25 (2022 Replacement Volume and 2025 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article – Tax – General

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 10–305(d)  
2 Annotated Code of Maryland  
3 (2022 Replacement Volume and 2025 Supplement)

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

6 **Article – State Government**

7 **3–309.**

8 **ON OR AFTER JULY 4, 2025, THE GOVERNOR MAY NOT NOMINATE A CENSUS**  
9 **TRACT FOR DESIGNATION AS A QUALIFIED OPPORTUNITY ZONE UNDER § 1400Z–1**  
10 **OF THE INTERNAL REVENUE CODE.**

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

13 **Article – Tax – General**

14 10–204.

15 (a) To the extent excluded from federal adjusted gross income, the amounts under  
16 this section are added to the federal adjusted gross income of a resident to determine  
17 Maryland adjusted gross income.

18 **(M) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY**  
19 **CAPITAL GAINS EXCLUDED UNDER § 1400Z–2 OF THE INTERNAL REVENUE CODE AS**  
20 **A RESULT OF AMENDMENTS TO THAT SECTION BY § 70421 OF PUBLIC LAW 119–21.**

21 10–305.

22 (a) To the extent excluded from federal taxable income, the amounts under this  
23 section are added to the federal taxable income of a corporation to determine Maryland  
24 modified income.

25 (d) The addition under subsection (a) of this section includes the additions  
26 required for an individual under:

27 (1) § 10–204(b) of this title (Dividends and interest from another state or  
28 local obligation);

29 (2) § 10–204(c)(2) of this title (Federal tax–exempt income);

30 (3) § 10–204(e) of this title (Oil percentage depletion allowance);

1           (4) § 10–204(i) of this title (Deduction for qualified production activities  
2 income);

3           (5) § 10–204(j) of this title (Deduction for costs for security clearance  
4 administrative expenses and construction and equipment costs incurred to construct or  
5 renovate a sensitive compartmented information facility); [and]

6           (6) § 10–204(l) of this title (Deduction for donations to qualified permanent  
7 endowment funds); AND

8           **(7) § 10–204(M) OF THIS TITLE (CAPITAL GAINS EXCLUDED FOR**  
9 **INVESTMENT IN OPPORTUNITY ZONES).**

10           **(E) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY**  
11 **AMOUNT OF FOREIGN–DERIVED DEDUCTION ELIGIBLE INCOME ALLOWED AS A**  
12 **DEDUCTION UNDER § 250 OF THE INTERNAL REVENUE CODE.**

13           **(F) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY**  
14 **AMOUNT OF INTEREST EXCLUDED UNDER § 139L OF THE INTERNAL REVENUE**  
15 **CODE.**

16           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
17 1, 2026, and Section 2 of this Act shall be applicable to all taxable years beginning after  
18 December 31, 2025.